

CAPITOL REGION WATERSHED DISTRICT

ANNUAL 2013 REPORT



Letter to Stakeholders

Dear community stakeholders:

April 2014

Board Managers and staff of Capitol Region Watershed District (CRWD) would like to share a review of the past year's accomplishments, the Capitol Region Watershed District 2013 Annual Report.

2013 was another excellent year for CRWD. Improvement projects were completed on the Trout Brook Stormwater Interceptor, which was transferred to CRWD from Metropolitan Council in 2006. CRWD's Permitting Program completed its eighth year. In 2013, 36 permit applications were received and processed. Of the 210 acres covered in the applications, approximately 82 of those acres were impervious surfaces on which stormwater runoff is treated to the 1" standard specified in CRWD's Watershed Rules.

In 2013, CRWD operated 50 monitoring stations including 16 flow and water quality sites, five flow logger sites, 20 level loggers, seven rain gauges and two grab sample sites. Four of the flow and water quality monitoring sites are located at major CRWD subwatershed outlets to the Mississippi River.

The completion of green infrastructure practices on the Metropolitan Council's Green Line signified an important milestone in water quality protection partnership in an urban transit corridor. With financial assistance from State of Minnesota Clean Water Fund, project partners Metropolitan Council, CRWD, City of Saint Paul and Ramsey County built a tree trench, rain gardens and stormwater planters to reduce stormwater pollution in the light rail transit corridor.

In 2013, construction began on Trout Brook Nature Sanctuary, a 41-acre site on Saint Paul's East Side that will include special water quality features. CRWD is also a partner with the City of Saint Paul's Inspiring Communities Program, which leverages grant funds to acquire and redevelop foreclosed properties. The City requested CRWD's assistance to create stormwater plans that minimize runoff and improve aesthetics on those properties. CRWD also assisted with the installation of 80 boulevard rain gardens in Hamline Midway and Macalester Groveland neighborhoods in partnership with City of Saint Paul Department of Public Works as they carried out their annual Residential Street Vitality Program (RSVP) street reconstruction.

Board Managers, Citizen Advisory Committee members and staff said goodbye to trusted colleagues in 2013 when former manager Marylyn Deneen passed away in January, former manager Mary Jo Murray passed away in March, CRWD Citizen Advisory Committee member Jerome Wagner passed away in June and former Board President Bob Piram passed away in September. We recall with gratitude their 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 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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Great River Greening provides expert planting support.

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Crosby Lake.
Cover: Lake McCarrons.

Our Organization

Mission

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

Vision

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

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

What is a Watershed District?

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

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



All of CRWD drains to the Mississippi River.

Our Organization

Background

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

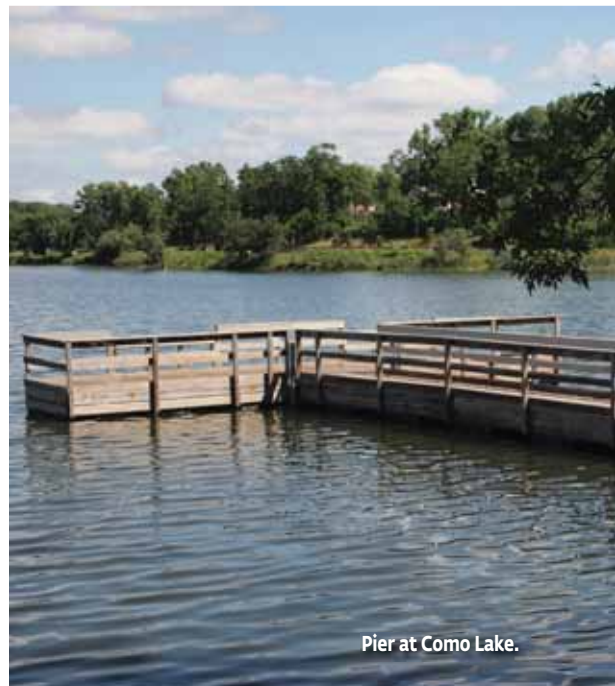
CRWD covers 40 square miles and includes portions of the cities of Falcon Heights, Lauderdale, Maplewood, Roseville and Saint Paul. Located within Ramsey County, it has a population of 225,000. CRWD drains to the Mississippi River, also its primary water resource. Como Lake, Crosby Lake, Loeb Lake and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

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

The District's 2010 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 at capitolregionwd.org.

Finances

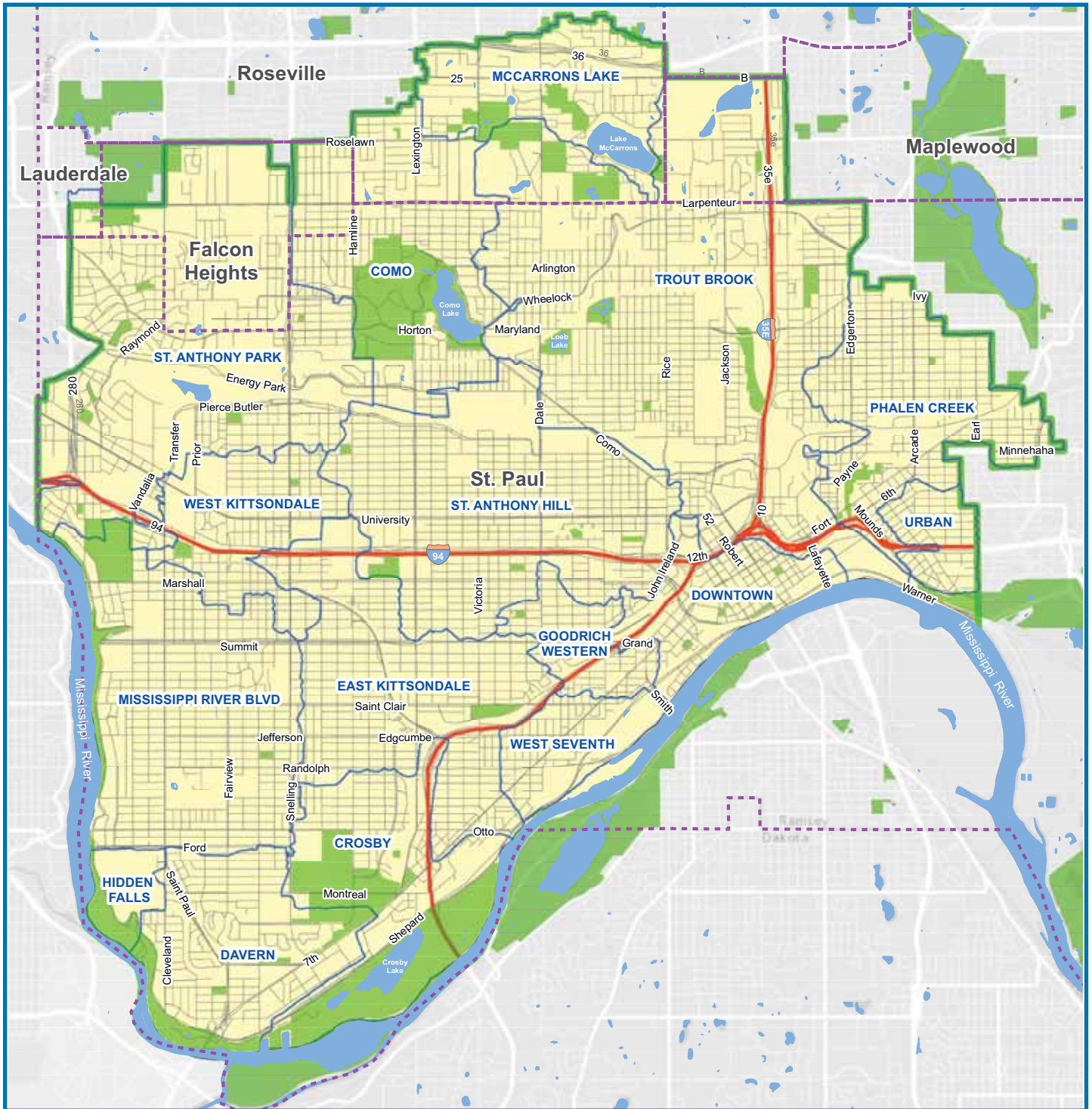
State statutes 103B and 103D provide watershed districts the authority to levy property taxes and this amount is included on property tax statements. A budget is developed annually and approved after comments are received and a public hearing is held. The funds received through the property tax levy can be used for projects, grants, programs and administration as recommended in the Watershed Plan. More specific information on CRWD's finances and a copy of the 2013 Financial Statement and Audit can be found in Appendix A.



Pier at Como Lake.

Our Organization

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.



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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. 2013 members are:

David Arbeit; co-chair, Bill Barton, Pat Byrne, Janna Caywood, Steven Duerre, Michael MacDonald, Ted McCaslin*, Kathryn Swanson, Michael Trojan, Michelle Ulrich, Jerome Wagner, Richard Weil, Gwen Willems; co-chair

* At-large CAC member.

2013 Consulting 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 | Saint 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
Elizabeth Beckman, Education Coordinator
Gustavo Castro, Water Resource Specialist
Anna Eleria, Water Resource Specialist
Bob Fossum, Water Resource Project Manager
Forrest Kelley, Permit Coordinator
Corey Poland, Water Resource Technician
Britta Suppes, Monitoring Coordinator
Michelle Sylvander, Office Manager
Lindsay VanPatten, Education & Administrative Assistant
Nate Zwonitzer, Urban BMP Specialist

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

Seasonal Water Resource Technicians

David DePaz, Stephanie Herbst, Joe Sellner

Interns

Lisa Hu, Amanda Wareham, Marlys Mandaville,
Samantha Varela

Recognitions

In Remembrance

Board Managers and staff said goodbye to trusted colleagues in 2013 when former manager Marylyn Deneen passed away in January, former manager Mary Jo Murray passed away in March, CRWD Citizen Advisory Committee member Jerome Wagner passed away in June and former Board President Bob Piram passed away in September. We recall with gratitude their years of dedicated service.



Bob Piram, Board
Manager 2000-2013,
Board President 2001-2011



Marylyn Deneen,
Board Manager
2000-2011



Mary Jo Murray, Board
Manager 2000-2005



Jerome Wagner, Citizen
Advisory Committee
Member 1998-2013

Recognition

At CRWD's 2013 Annual Meeting in December, **Mike Thienes** was recognized for 15 years of continuous service as a Board Manager. Mike has also served as Board Treasurer during his entire tenure.



Manager Thienes with Mark Doneux.

Bob Fossum was recognized as Employee of the Year in 2013 for ten years of service and his work on many of the District's integral projects.



Bob Fossum with Manager Collins.

MAWD awards

City of Saint Paul and CRWD's Neighborhood Stabilization Program wins Program of the Year from the Minnesota Association of Watershed Districts. See page 27 for program details.

Recognitions

National Conferences

Staff members from CRWD have had the privilege to present projects and work of the district at multiple national conferences.

International Low Impact Development Symposium: Saint Paul, Minnesota August 18-21, 2013

CRWD Administrator Mark Doneux delivered the opening remarks for the conference.

Britta Suppes, 2013.

Monitoring Methods for LID Practices for Performance and Pollutant Removal.

Bob Fossum, 2013.

Urban Stormwater BMP Performance and Cost-Effectiveness: The Arlington Pascal Project.

Forrest Kelly, Anna Eleria, 2013.

Green Infrastructure for the Central Corridor Light Rail Transit Project.

Anna Eleria CRWD, Roxanne Young, Saint Paul Department of Planning and Economic Development, 2013.
Redefining the Affordable Housing Landscape: Linking Neighborhood Stabilization with Stormwater Management.

WEFTEC 2013 Conference: Chicago, Illinois October 6-9, 2013

Bob Fossum, 2013.

Quantifying Gross solids and phosphorous loads captured by Stormwater BMP Pretreatment devices.

Forrest Kelley, 2013.

Green Infrastructure for the Central Corridor Light Rail Transit Project.



LID conference participants



LID conference tour of Como BMPs

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. Ramsey County conducts water quality monitoring of the lakes in CRWD.

Groundwater below the 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 caused local flooding problems. CRWD, along with the cities of Saint Paul, Falcon Heights and Roseville, and Ramsey County, have 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.

Our Work

CRWD Water Resources

implementation activities to address the priority issues. This plan serves CRWD, the City of Saint Paul and other partners to guide projects that will improve Como Lake. 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 phosphorus loading of the lake by 60%.

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 is included in the Minnesota Department of Natural Resources, Fishing in the Neighborhood program sites. 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 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

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. The plan was reviewed by both technical and citizen advisory groups and was then approved by CRWD Board in 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 along Lake McCarrons in Roseville. By the end of 2013, 14 lakeshore residents with eroding shorelines completed restoration projects with joint cost-share funds from CRWD, BWSR and RCD. Nearly 1,900 ft. of shoreline with an area of 41,400 ft² has been restored. A 2009 program participant whose project boasts nearly 600 ft. 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.

Our Work

CRWD Water Resources

Villa Park Management Plan

In 2009, CRWD completed the Villa Park Wetland Management Plan, which identified reasons why the system was not reducing nutrient loading to Lake McCarrons as originally designed. The Plan determined actions to improve the system's capacity to remove nutrient loading and recommended a dual approach: 1) remove sediment in the wetland system to restore treatment capacity and 2) increase treatment in the subwatershed that drains to the Villa Park Wetland.

The District was awarded a \$430,000 loan from the State of Minnesota to complete sediment removal from the wetland treatment cells. 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 was completed via hydraulic dredging during summer 2013. The project removed 17,360 cubic yards of sediment from three cells within Villa Park Wetland. The sediment was pumped into geotextile tubes that allowed water to seep out and drain back to the wetland. A total of 12,762 cubic yards was hauled away and disposed of. Approximately, 75% of the sediment was disposed of in a certified landfill because it exceeded Level 3 thresholds for elevated amounts of polycyclic aromatic hydrocarbons. The rest of the sediment was categorized as Level 2 and as such was able to be reused on industrial sites. Total cost for the project (including construction and engineering) was \$1,397,480. CRWD financed approximately \$1,000,000 of the project and the City of Roseville contributed \$400,000.



A hydraulic dredge removes sediment from the wetland.

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. During 2013, CRWD completed the preliminary engineering study and will complete final engineering in 2014, with construction planned for 2015.



Captured sediment was hauled away to nearby landfills.

Our Work

CRWD Water Resources

Highland Ravine

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

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

In response to concerns raised by citizens regarding property damages from gully erosion, CRWD completed

the Highland Ravine Stabilization/Restoration Feasibility Study in spring 2011. Based on the results from this study, several strategies were recommended to stabilize and restore the ravine area to alleviate flooding, sedimentation, and pollutant loading.

In 2011, CRWD received a 2012 Clean Water Fund - Clean Water Assistance Grant for \$150,000 from BWSR to implement recommendations from the feasibility study. In 2012 and 2013, CRWD designed the ravine stabilization project in two ravine areas – north ravine which is all within private residential property and south ravine which is located primarily on City parkland. The stabilization practices include rock grade control structures to slow down runoff, brush bundles or other slope stabilization features, and a stormwater pond in the north ravine to detain runoff and allow sediment to settle out before runoff discharges to the local storm sewer system. Construction of the stabilization practices will occur during summer/fall 2014. It is estimated that the implementation of this project will reduce total sediment loads by 11.5 tons/annually and total phosphorus loads by 91 lbs/annually.



Erosion damage on Highland Ravine.

Our Work

CRWD Water Resources

Trout Brook 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 will literally restore flow to streams long buried in storm sewers. Among the specific goals highlighted in the Watershed Management Plan is 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 Trout Brook Nature Sanctuary presents an excellent opportunity to begin realizing this goal and building support for expanded restoration efforts in the city. This 41-acre site sits close to the middle of where Trout Brook formerly flowed.

In the summer of 2013, project construction began and by the end of the year it was about 75% complete. In 2014, construction will be completed and the park will open to visitors in 2015.

An analysis of alternative sources of water was conducted and included several options for routing stormwater runoff from nearby watersheds to the site. It was determined that pumping water from the Trout Brook Storm Sewer Interceptor (TBI) to the north end of the Trout Brook site would provide base flow to the stream. This water would be augmented during and after storm events with treated stormwater runoff from the Hatch Agate neighborhood west of the site. Water features include a small stream, three stormwater treatment complexes and an enhanced pond where the Sims Agate stormwater pond is located. The stream will begin at the northern end of the site and will have a base width of 6-7 ft, with a floodplain bench on each side and options



Trout Brook Nature Sanctuary during construction.

for unpaved footpaths near the stream. Due to site constraints, the stream will have very mild sinuosity for most of the reach but will become very sinuous at the lower end of the site before reaching the Sims Agate pond.

Water will enter the stormwater management systems from the neighborhood west of the site and pass through a system of settling ponds, filtration systems and wetlands before entering the stream. In addition to improving water quality, goals for the project are to make Sims Agate Pond safer and more attractive for recreation and to improve wildlife habitat. The routing of higher quality water from Arlington Jackson pond to this pond and treating stormwater from the Hatch Agate neighborhood prior to entering the Sims Agate pond will create greater capacity for ecological function and diversity. Enhancements to the pond include a broader emergent vegetation zone that will also function as a safety bench to prevent people from accidentally falling into deep areas, and greater depth diversity throughout the pond to increase habitat diversity for a variety of fish, birds, reptiles and amphibians.

Our Work

Curtiss Pond Improvement Project

For several years, Curtiss Field Park in Falcon Heights has experienced periodic flooding when the pond within the park overflows. The pond drains an area of Falcon Heights and Snelling Avenue but has no outlet so all water draining to the pond must infiltrate into the ground. Over the past several years the infiltration capacity of the pond has decreased. This has resulted in flooding of the park and threatened flooding to adjacent properties.

During 2013, CRWD in partnership with the City of Falcon Heights completed the final design of the Curtiss Pond Improvement Project. The project will install a large infiltration facility underneath the field adjacent to Curtiss Pond. This will increase the storage, infiltration footprint and long-term reliability of water management and thereby reduce flood frequency and flood elevations at the park. Construction for the project is planned for fall 2014.



Curtiss Field Park flooded.

Our Work

Trout Brook Storm Sewer Interceptor

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

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 was completed in 2012, which included installation of 560 feet of new storm sewer sections and the new TBI railroad crossing. Prior to construction, groundwater levels were lowered to establish dry conditions for excavating and installing TBI. The tracks were monitored for movement prior to, during and after construction to ensure that the railroad would not subside or be structurally damaged.

During Phase 2 in 2013, transition segments were constructed at both ends of the new interceptor segment to connect it with the old tunnel. During construction of the new segments, stormwater from the rest of Trout Brook Storm Sewer was diverted from the construction area.



Old and new segment of Trout Brook Storm Sewer during realignment.



Trout Brook pipe realignment.

Cast-in-place tunnel sections connected the new 760-foot segment with the existing Trout Brook storm-sewer interceptor. Once completed, the old storm sewer segment was demolished or abandoned using sand and concrete.

Stormwater Pollution Prevention Program

2013 was the sixth 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 housekeeping of municipal operations. Highlights of the program in 2013 included 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

2013 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.



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

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

Our Work

2013 Watershed Rules and Permitting

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 at construction sites, soil is exposed and can be transported to stormdrains and water bodies during rain events. To ensure that the proper Best

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

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

The Technical Advisory Committee (TAC) convenes regularly to discuss rules and potential changes to the permitting process. In 2013, the TAC met to discuss CRWD rules but no revisions were made. Major discussion topics included credits for filtration and iron-enhanced filtration practices, stormwater harvest and reuse, State Minimal Impact Design Standards and Atlas-14 Rainfall Intensity Update.

CRWD Permits By Year

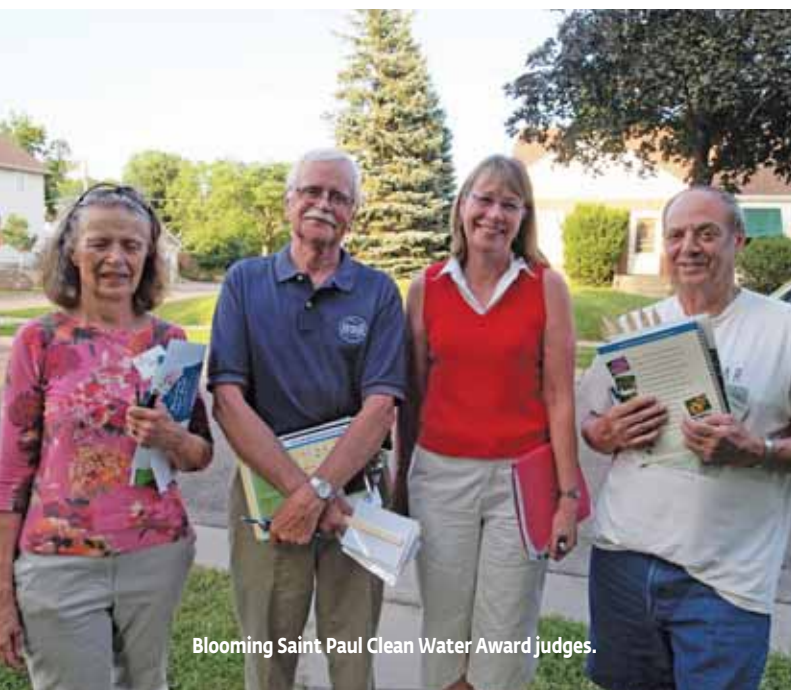
	2007	2008	2009	2010	2011	2012	2013
Applications Received	30	33	31	33	30	30	36
Acres Disturbed	94	85	110	358	142	331	210
Acres Impervious	68	64	65	194	90	109	82
Alternative Compliance Sites	12	13	5	15	14	12	17
Standard Compliance Sites	15	18	26	18	13	17	19
Linear Projects	4	5	9	9	6	4	11
Total Linear Impervious (ac)	37	34	32	156	49.83	75.93	49.78
Total Linear Treatment (cf)	72,180	20,969	75,201	431,597	118,110	435,928	223,433
Infiltration Approved (cf)	120,349	148,131	163,297	425,289	275,781	91,100	124,856
Filtration Approved (cf)	73,861	65,959	35,649	198,844	179,448	474,887	348,543
Variances Requested	2	2	2	2	1	0	3
Variances Approved	1	2	1	2	1	0	3
Incomplete/Withdrawn Applications	3	2	0	0	3	1	2

Our Work

2013 Education and Outreach

General Outreach

CRWD continued outreach to students and adults in 2013 through direct work with organizations and community groups. CRWD staff and volunteers contacted more than 2,500 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 41 residents of all ages, a workshop on landscaping for clean water attended by 35 landscape professionals and a tour of green roof projects in the watershed attended by 40 residents. CRWD also sponsored transportation costs for six water quality education field trips attended by CRWD students, supported Children's Water Fest with a financial contribution, led a stormwater BMP tour along the Green Line for Urban Roots' youth interns from Saint Paul's East Side and supported a water themed dance event at the first Open Streets celebration in Saint Paul.



Blooming Saint Paul Clean Water Award judges.



Celebrating clean water at Saint Paul Open Streets.

Green Line Interpretive Signage

With ridership of the Green Line Light Rail estimated at 42,000 trips per day by 2030, there is tremendous opportunity for public education regarding the importance of sustainable stormwater management in urban areas. Rain gardens, stormwater planters, underground infiltration trenches and a tree trench system were all installed along the corridor to capture and treat stormwater runoff. Interpretive signage was installed to describe the purpose and function of each of the clean water features and has been translated into Hmong and Spanish.

Our Work

2013 Education and Outreach



Eutrophication



Pollute or Protect



Rain Route

New Education Displays

CRWD Staff and volunteers participate in many community and school events every year. Interactive displays help communicate our messages about stormwater runoff and pollution prevention behaviors. Beginning in 2012, the Board of Managers and staff began planning for new education displays for the district. After completing research which included literature review of studies on public messaging of environmental issues as well as conducting multiple focus groups of CRWD residents, it became clear that multiple displays were needed to communicate our messages. Findings from the research and focus groups revealed that the displays should be designed for either children or adults because they find different messages appealing. It was also found that the messages needed to communicate what individuals could do personally and in their own neighborhoods and yards. With this information CRWD designed three new education displays targeted at adults in the watershed. The primary messages of each were 1. Pollute or protect: what you can do to protect stormwater pollution, 2. Eutrophication: what is it and how does it happen and 3. Rain Route: where does the rain and stormwater in your neighborhood flow?

New Education Plan

Staff identified a need to update and strategize the Districts Education and Outreach work for 2014 – 2015. CRWD hired HDR, Inc. to consult with staff and develop a strategic education and outreach plan for the next two years. Objectives were categorized by audience and the level of importance of each goal. Staff will use this plan to guide education and outreach projects for 2014 and 2015.



Our Work

2013 Education and Outreach

Metro WaterShed Partners

CRWD is a member of WaterShed Partners (WSP), a coalition of more than 75 organizations working to educate Minnesotans about protecting water. WSP promotes clean water practices and aims to inspire people to act to protect water, and to create educational programs and tools to help cities meet the requirements of the MS4 permit.

In 2013, WSP raised more than \$54,000 for media outreach and made 5,560,507 clean water impressions on residents in the metro area through:

- Ads on radio and TV that reached 4,883,970 people in the Twin Cities with messages that encouraged them to protect water by keeping streets clean.
- Connecting with approximately 676,537 Minnesota fairgoers at the State Fair's DNR and Eco Experience buildings, letting people know through interactive display, a clean water game and print materials how they can protect water.
- Launching a Facebook campaign called StormDrain Goalie to reach a targeted audience of local people who have expressed interest in protecting water. <https://www.facebook.com/StormDrainGoalie>

WaterShed Partners also provided services to members including:

- Professional training on best practices in using social media, a field trip on the river with speakers on managing stormwater for a changing climate and a talk on using Plain Language in communications.
- Monthly meetings with presentations about timely issues such as invasive species, the new Nitrogen study and movement in the legislature.
- A listserv for ongoing sharing of information and resources.
- Cleanwatermn.org, a site with electronic resources and an image gallery to help water educators with outreach to their service areas.

2013 Clean Water Summit

The Clean Water Summit is an annual meeting of water and natural resource professionals interested in learning how to protect, manage and clean our water resources. The theme for the 2013 conference was, "Green Infrastructure for Clean Water: The Essential Role of People" and focused on the role of education and outreach efforts in creating beneficial behavior changes. Education and Outreach Coordinator at CRWD, Elizabeth Beckman served on the planning team and presented on CRWD's work and partnerships with the residents around Como Lake.

Internships

CRWD staff hosted several interns 2013. In partnership with Dr. Christie Manning of Macalester College, CRWD staff worked with students Amanda Wareham and Lisa Hu who analyzed focus group data from groups convened to review a set of nonpoint source pollution education displays for use at community events. The students completed a literature review and made a set of recommendations for creating display tools with effective clean water messages. CRWD also hosted Macalester College environmental science major Marlys Mandeville who created supplemental materials for the above-mentioned displays and helped engage students in a clean water improvement project at Central High School. CRWD also sponsored Gordon Parks High School student Samantha Varela who served in the office at Great River Greening and participated in ecological restoration events sponsored by GRG.



Macalester intern Marlys Mandeville presented her final project as an intern with CRWD.



Gordon Parks High School intern Samantha Varela with Great River Greening staff.

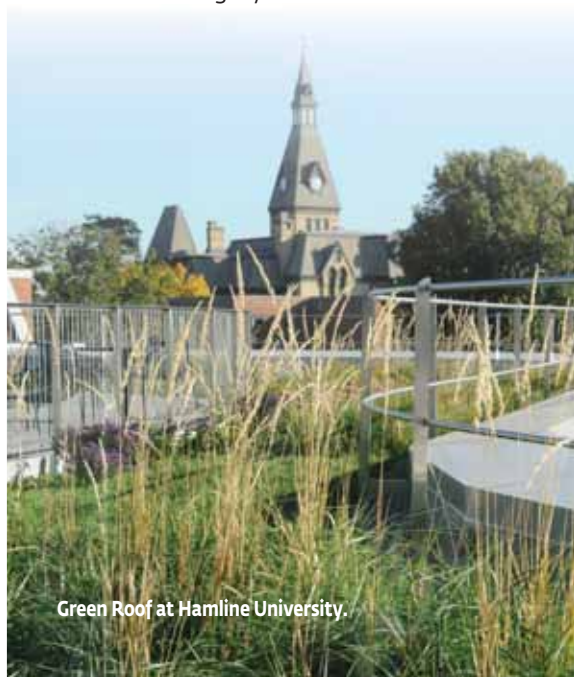
Our Work

2013 Education and Outreach

Blooming Saint Paul Award

In the 2009 Education and Outreach Plan, the Board of Managers prioritized the development of a stewardship recognition program with the goal of recognizing residents who adopt outstanding water quality protection behaviors. In 2013, CRWD partnered with Saint Paul Parks and Recreation Department to sponsor a category as part of the Blooming Saint Paul Award program.

Since 2003, the Blooming Saint Paul Award has recognized beautification efforts by Saint Paul citizens through gardens and art in the public realm. CRWD sponsored the Clean Water Award category of nominations which recognizes exemplary landscaping projects or practices that demonstrate stormwater runoff reduction, pollution prevention or water reuse. Staff from CRWD worked with Ramsey County Master Gardeners to judge the nominations for the Clean Water Award. This included a short training session for the judges to explain the benefits of rain gardens and preventing runoff. Thirteen projects were nominated for the Clean Water Award Category.



PLANTING FOR CLEAN WATER

The Blue Thumb Partners are a group of professionals from local governmental units (watershed and conservation districts, cities, counties), non-profit and community organizations, and nursery and landscape professionals. Blue Thumb partners advocate for clean water through the use of native plant rain gardens, native plant gardens, and shoreline restoration projects. Since 2007, CRWD has participated as a Blue Thumb 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. In addition to its membership contribution in 2013, CRWD coordinated publicity for the Blue Thumb native plant sale event Landscape Revival and increased attendance from 800 in 2012 to 1,600 attendees in 2013. [Visit bluethumb.org](http://bluethumb.org).

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 based on an approved project budget.

In 2013, seven grants were awarded, totaling \$8,502.49. Though grant numbers were lower than previous years, a substantial amount of site visits and designs were completed for projects likely to be installed next year. These grants helped make possible rain garden and rainwater reuse projects. Grant funding also provided support for a native plant education expo and market.



Urban Roots youth interns help with maintenance at Gateway Park.

Our Work

Stewardship and Partner Grants

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 resident's 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.

2013 Partner Grants included:

- Funding for an organizing project with faith communities in CRWD encouraging water quality projects
- An environmental festival highlighting the role of water in indigenous cultures
- Civic organizing and a fall cleanup event around Como Lake
- Stipends for environmental education internships for youth through the Urban Roots (formerly Community Design Center) and Great River Greening's Science Area Teen Network
- Support of Friends of the Mississippi River's river stewardship and habitat restoration programs as well as their State of the River Report and
- New equipment for the City of Saint Paul's Street Maintenance Department to improve plowing and salt application techniques.

Nine grants were awarded in 2013, totaling \$82,000.

2013 Grants

Seven Stewardship Grant awards (up to \$2,000) totaled \$8,502.

Nine Partner Grant awards (\$2,000 to \$20,000) totaled \$82,000.



CRWD staff worked at Ce Tempocalli's Mother Earth Fest



Macroinvertebrate night at Como Lake, June 2013.

Our Work

Stewardship and Partner Grants

Special Grants

In 2013 several previous Special Grant projects were constructed and multiple new projects were awarded for construction in 2014-2015. The first completed project was the Burns Avenue neighborhood rain garden retrofit. Working with Urban Roots, homeowners were recruited for curb-cut rain garden installation within the boulevard. Curb-cut rain gardens are the most cost-effective water quality improvement project we can install in neighborhoods. They are designed to capture runoff from the street before it goes into the storm drain and the Mississippi River. A total of seven gardens were constructed by a contractor and planted by Urban Roots.

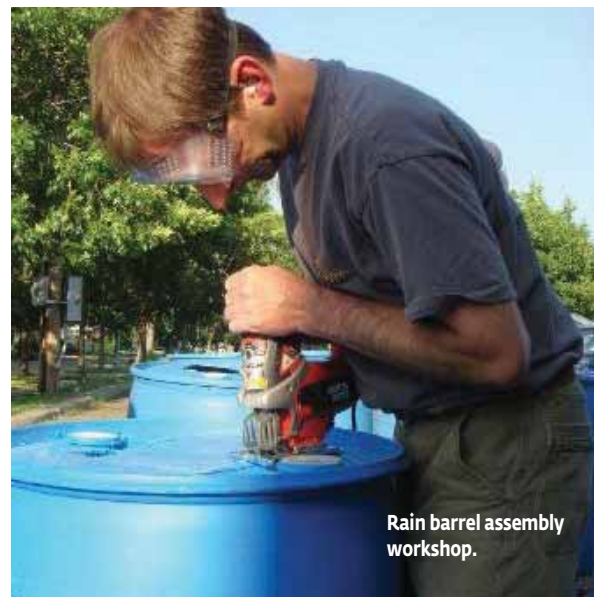
The second completed Special Grant project was large water quality improvement BMPs at the Union Depot parking lot. Ramsey County Regional Rail Authority was awarded \$200,000 for the construction of pervious parking lot islands, bio-retention cells, and a substantial underground filtration system. These projects will treat stormwater runoff from the parking lot before it is discharged to the Mississippi River.

In addition to completed projects, the CRWD Board of Managers awarded grants for projects beginning in 2014. The following table outlines the projects, a brief description and the grant award amount.

Project Name	Description	Grant Award
Model Cities – Central Exchange and BROWNstone	Design and installation of permeable pavers, infiltration swales and native plantings along the Green Line	\$65,000
Saint Paul – Lowertown Ballpark	Rain gardens, underground filtration, tree trenches, rainwater reuse and interactive signage	\$225,000
Central High School	Design and grant match funding for stormwater retrofits at Central High School	\$80,000
Great River School	Construction of stormwater retrofits including permeable parking lot, rain gardens, and rainwater reuse	\$110,000

Well Sealing Grants

Abandoned wells pose a threat to public health since they provide a direct pathway for contaminants to enter groundwater. Groundwater is a source of drinking water for thousands of people in the metro area. Abandoned Well Sealing Grants are available to all residents within Capitol Region Watershed District who have a well that is no longer in use on their property. Wells must be sealed by a licensed well contractor. In 2013, 10 well sealing grants were awarded, totaling \$4,497.50.



Rain barrel assembly workshop.

Rain Barrel Construction Workshop Grants

With rain barrel construction workshop grants from CRWD, two community organizations hosted 82 participants at three events. Workshops were held by Union Park District Council and Mississippi Market food cooperative.

Our Work

Stewardship and Partner Grants

Residential Street Vitality Program (RSVP) boulevard rain garden plantings

CRWD partners with the City of Saint Paul Public Works Department during their annual street reconstruction, known as the Residential Street Vitality Program (RSVP). Because the boulevard area — the space between the sidewalk and curb on most residential streets — is often left unplanted with anything except turfgrass, it provides a great opportunity to put in clean water landscaping that helps prevent polluted runoff from flowing to the Mississippi River. Street reconstruction is an especially good time to install rain gardens since the boulevard is already being rebuilt. The City of Saint Paul offers residents the opportunity to host a garden, identifies suitable boulevards, constructs the basin and curb cut, installs a soil mix of sand and compost and lays mulch. Homeowners agree to plant and maintain the gardens.

Street reconstruction recipients in Hamline Midway and Macalester Groveland neighborhoods planted 80 rain gardens in spring 2013 with help from CRWD. Homeowners picked up their native rain garden plants and CRWD staff was on hand to answer questions. Volunteers and staff members from the organization Great River Greening worked in the neighborhoods to help the residents with planting and watering. There are currently 140 RSVP rain gardens in Saint Paul, with 55 more planned for 2014.



RSVP rain garden in Hamline Midway neighborhood.

Inspiring Communities 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. The **Inspiring Communities Program** (previously Neighborhood Stabilization Program) rehabilitates foreclosed and vacant housing in some of the most racially diverse and economically challenged areas of Saint Paul. Landscape designs include features that treat nearly all runoff on-site and include downspout redirections to rain gardens, rain barrels or green space. CRWD provides expert advice and design to create a landscape plan, and both partners provide resources for installation and educational support to homebuyers.

After a site visit to assess existing conditions, CRWD determines how to best redirect downspouts from the home to pervious areas and improve drainage on the property, and where to locate rain gardens, swales or other BMPs. The City of Saint Paul's Forestry Department also provides crucial input on the condition of residential trees and recommendations on how to improve the tree canopy, which are incorporated into the design. Along with design assistance, CRWD provides a \$1,000 reimbursement for the construction of stormwater BMPs on each property and consultation during construction. The city provides each homebuyer a rain garden maintenance guidebook.

By the end of 2013, more than 90 properties were rehabilitated with new landscapes that will infiltrate 127,500 cubic feet of runoff and reduce phosphorus loads by 2.8 pounds per year. Partners expect to rehabilitate 40-50 new sites each year.

To recognize the unique and successful collaboration, the partners received a "Program of the Year" award from the Minnesota Association of Watershed Districts in December.

Our Work

Stormwater Quality Monitoring

Since 2005, CRWD has monitored stormwater quantity and quality from its 41-square-mile watershed in Saint Paul, Roseville, Maplewood, Falcon Heights and Lauderdale, which eventually drains to the Mississippi River. CRWD is highly urbanized with 225,000 residents and approximately 42% impervious land cover.

Monitoring locations

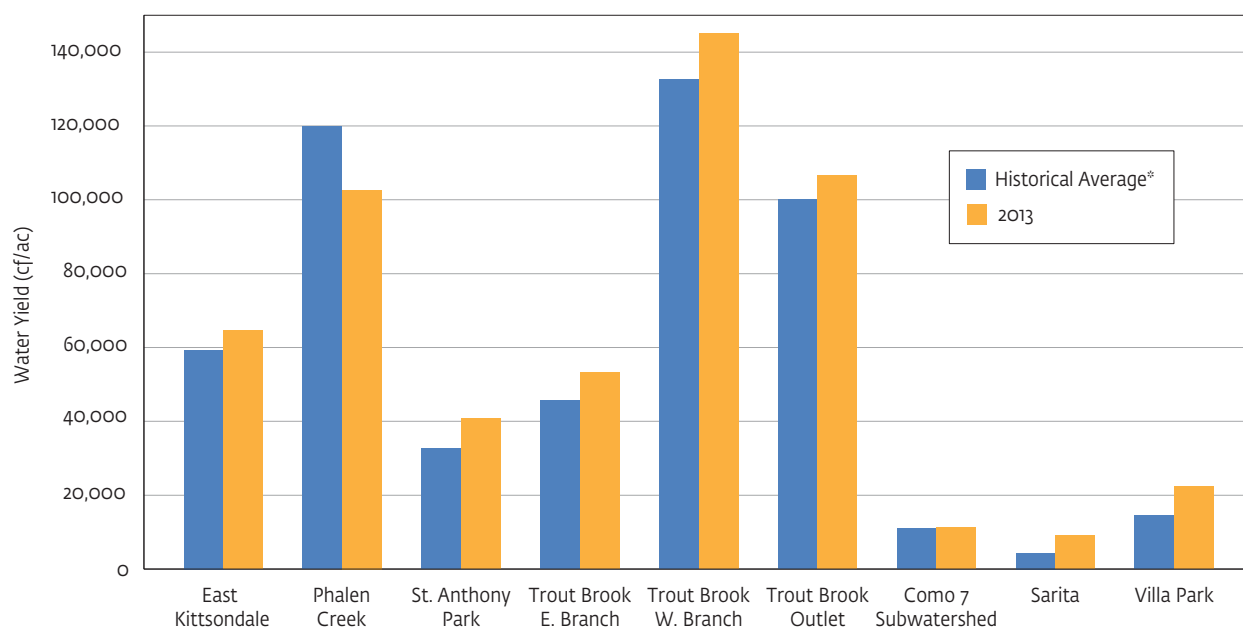
Of the 16 major subwatersheds in CRWD (see map page 6), six are currently monitored for water quantity and quality (St. Anthony Park, East Kittsondale, Phalen Creek, Trout Brook, McCarrons and Como 7). Within the monitored subwatersheds, CRWD collected water quality and/or quantity data at 17 monitoring sites in 2013. At ten stations, samples were collected during both baseflow and stormflow periods and analyzed to determine pollutant concentrations for a suite of water quality parameters including nutrients, sediment, metals and bacteria, which are used to calculate total pollutant loading.

Additionally, CRWD monitored the water quality of the five lakes within the District (Como Lake, Crosby Lake, Little Crosby Lake, Loeb Lake, Lake McCarrons) in partnership with Ramsey County Public Works Department. Lakes were sampled monthly or bi-weekly from May through September for water quality parameters including nutrients, sediment, water clarity and Chlorophyll-a. Also, Ramsey Conservation District worked with CRWD to conduct macrophyte and biovolume surveys of each lake, which included plant species identification and estimations of relative plant abundance.

Precipitation

2013 was an above average year for precipitation, with 36.36 inches recorded. This was +5.75 inches above the 30-year normal and the wettest year since CRWD monitoring began in 2005. The majority of the precipitation, however, occurred during spring with a total 19.84 inches from April through June.

Figure 1: 2013 water yield in cf/acre for CRWD monitored subwatersheds.



* The historical average for baseline sites is based on discharge data from 2010-2012. The historical average for BMP sites is based on discharge data from 2005-2012.

Our Work

Stormwater Quality Monitoring

Alternatively, August and September were uncharacteristically dry with a total 5.82 inches of precipitation, 5.60 inches below the 30-year normal average.

Discharge

Due to increased precipitation, major CRWD subwatersheds recorded greater than average flow and water yield in 2013 (Figure 1), especially from April through June. Subsequently, pollutant loading generally increased because more water carried more pollutants. Of the four major CRWD subwatersheds, Trout Brook exported the greatest amount of water (144,989 cf/ac) because it has the largest total subwatershed drainage area (8,000 acres).

Lakes

In 2013, water quality varied in each of CRWD's five lakes. Como Lake, Crosby and Little Crosby all failed to meet the state eutrophication standard for total phosphorus, so they were considered impaired. Lake McCarrons and Loeb Lake both met the total phosphorus standard.



Monitoring equipment.



Stormwater monitoring continues in winter.



CRWD staff install monitoring equipment.

Our Work

BMP Maintenance and Monitoring

Stormwater BMPs are activities, practices and structures that reduce the impacts of stormwater runoff. CRWD maintains or owns several stormwater BMP structures throughout the watershed: 18 stormwater BMPs constructed in the Como Lake Subwatershed in Saint Paul and 14 along the Green Line (Central Corridor Light Rail), 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, 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 by removing pollutants and infiltrating stormwater runoff.

The Green Line BMPs include eight stormwater planters and six rain gardens. These green infrastructure practices are highly visible and not only clean stormwater on its way to the Mississippi River, but also add beauty, improve air quality and reduce the urban heat island effect.

Regular inspection and maintenance of all of the BMPs and pretreatment units is coordinated by CRWD. Maintenance is crucial to ensure the BMPs are functioning properly. CRWD receives assistance with maintenance of some of the BMPs from citizen volunteers and other government entities. In 2013, a majority of the maintenance was completed by CRWD staff, Conservation Corps Minnesota, Great River Greening and a private contractor.

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 18 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, operation and maintenance costs for each individual BMP, were used to



Our Work

BMP Maintenance and Monitoring

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 and available at capitolregionwd.org.

CRWD also undertook additional monitoring efforts to determine the amount of gross solids (trash, organic matter and sand/gravel) which accumulated within the Arlington-Pascal Project BMPs as well as the gross solids captured by the BMP's pretreatment units. The amount of phosphorous contained in the gross solids was also determined. The results of this study were incorporated into the BMP performance analysis mentioned above. Detailed results can be found in



Sumped catch basin with steel hood to capture debris

CRWD's *Arlington-Pascal Project: Gross Solids Accumulation Study* published in spring 2012 and available at capitolregionwd.org.



CRWD staff members monitor a rain garden near the Green Line.

Our Work

Green Infrastructure on the Green Line

The Green Line, formerly known as the Central Corridor Light Rail Transit project, required full reconstruction of heavily traveled streets in Saint Paul, most notably University Avenue. The corridor is primarily comprised of commercial and industrial land uses with more than 100 acres of paved surfaces that were devoid of healthy trees and green spaces. The previous drainage system conveyed all runoff within the project limits to the Mississippi River through numerous outfalls without any water quality treatment. Portions of this stretch of the river are impaired for turbidity, nutrients and bacteria and are not meeting designated recreation uses.

CRWD, the City of Saint Paul, Metropolitan Council (Met Council) and Ramsey County forged a partnership with a commitment to improve stormwater management, enhance the urban tree canopy and transform the aesthetics of the Green Line corridor using highly visible green infrastructure practices. Known as the Green Line Green Infrastructure Project, two clear environmental needs were addressed: establishing a vibrant and sustainable urban tree canopy and maximizing treatment of stormwater runoff from impervious surfaces.

Four types of green infrastructure practices were constructed from 2010 to 2013: an innovative integrated tree trench system along University Avenue and rain gardens, stormwater planters and infiltration trenches on side streets. These practices incorporate natural landscape features and hydro-logic processes to treat stormwater by infiltrating and evapotranspiring runoff. The practices also integrate with the character and values of the surrounding community and serve as educational tools that help raise community awareness of stormwater.

Improving water quality and stormwater runoff in urban settings is a challenging, complex problem and construction of stormwater management practices



Our Work

Green Infrastructure on the Green Line

is often conducted parcel by parcel, which does not maximize water quality treatment or achieve cost efficiencies. The partners recognized that the construction of the Green Line provided a rare opportunity to address multiple environmental issues and achieve measurable results on a scale that would likely not be feasible in the foreseeable future.

CRWD has estimated that annually the entire project will reduce post-construction stormwater volume by over 50% or 134 acre-feet, sediment load by 9 tons and phosphorus load by 109 pounds to the Mississippi River. This project contributes to the overall pollutant load reductions required by the state for this section of the Mississippi River.

Anticipating increased pedestrian traffic along the Green Line corridor and surrounding neighborhoods, artistic elements, seating areas and interpretive signage have been incorporated into the practices.

These features encourage the public to pause and learn more about stormwater runoff and how it's being treated in their community. In 2013, interpretive signage for each type of practice was installed at the 11 side street practice sites and 11 tree trench locations nearby. The signs have been interpreted into Hmong and Spanish to help reach the diverse ethnic groups residing in and visiting the Green Line corridor.

The Green Line project was featured prominently during the 2013 International Low Impact Development Symposium hosted in Saint Paul, which drew over 800 attendees. Staff from CRWD and Met Council and city and project consultants gave presentations and a tour of the project. In addition, CRWD has used the practices as interactive examples during tours to teach youth from Saint Paul's East Side about stormwater management.



Oxford Street stormwater planter.

2013 District Finance Summary

CRWD offers this summary overview and analysis of the District's financial activities for the fiscal year ended December 31, 2013. The complete 2013 Annual Financial Report and Audit can be found in Appendix A.

Operations

2013 budgeted revenue was down \$60,468 from a budgeted revenue of \$2,322,360 and actual revenue of \$2,259,892. This decrease was largely due to an increase uncollectable property taxes and the loss of the Homestead Market Value Credit. Expenditures in 2013 were under budget. Budgeted expenditures were \$2,322,360 while actual expenditures were \$2,086,711, or \$235,649. The decrease in expenditures was largely due to several large projects that were not undertaken in 2013.

Capital Improvement Program (CIP)

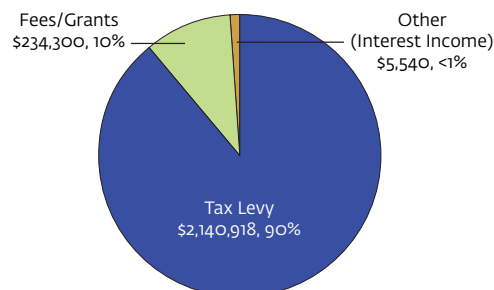
2013 budgeted revenue was \$5,299,552 and actual revenue was \$4,395,124. This decrease of \$904,428 in revenue was mostly due to not receiving a MNDOT reimbursement until 2014 for work completed in 2013. Expenditures in 2013 decreased from the budgeted amount of \$7,701,612 to an actual amount of \$5,278,604. This reduction in expenditures was largely due to several large projects coming in under budget, several special grants not being completed in 2013 and several projects being delayed until 2014.

Financial Highlights

The assets of CRWD exceeded its liabilities at the close of the most recent fiscal year by \$13,657,142 (net assets). Of this amount, \$1,074,392 (unassigned net assets) may be used to meet the government's ongoing obligations to citizens and creditors in accordance with CRWD's fund designations and fiscal policies. CRWD's total net assets increased \$41,073 in 2013. As of the close of the current fiscal year, CRWD's governmental funds reported combined ending fund balance was \$4,952,036 compared to \$4,906,854 the previous year. At the end of the current fiscal year, CRWD is able to report a positive balance in net assets.

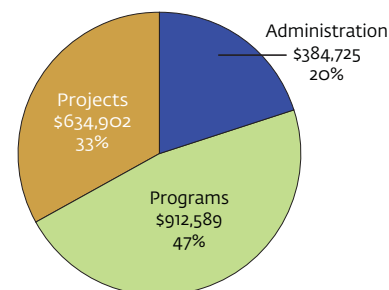
2013 Operations Revenue (actual)

Total \$2,259,892



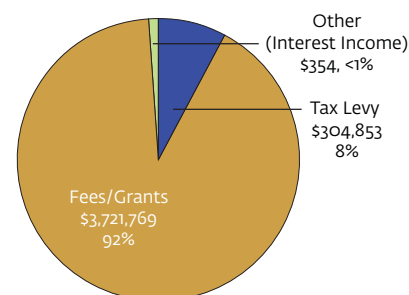
2013 Operations Expenditures (actual)

Total \$2,086,711



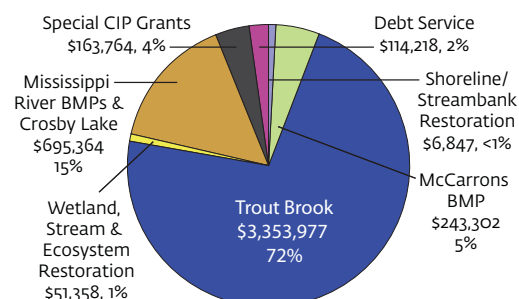
2013 CIP Revenue (actual)

Total \$4,395,124



2013 CIP Expenditures (actual)

Total \$5,278,604



Our Plans

2013 Year In Review

Below is a complete list of 2013 CRWD projects:

Fund Name	Project Name
Administration	General Administration
	Performance Review and Assistance Program
Groundwater	Groundwater Protection — Well Sealing
	Groundwater Studies
	Ramsey County Groundwater Plan
Rulemaking/Rule Revisions	Wetland Management and Regulation Plan
Permitting	Implement Permit Program
	Permit Tracking Database and Information Management
	Construction Inspection
Stewardship Grants	Grant Program Administration
	Project Inspection
	Project Design and Assistance
	Application Processing and Grant Award
Monitoring and Data Collection	Baseline Monitoring and Data Collection
	Lake Monitoring and Data Collection
	Villa Park Monitoring and Data Collection
	Wetland Bio-monitoring
	Long-term Monitoring Database Development
	Willow Reserve / Loeb Lake Monitoring and Data Collection
	Non-CRWD BMP Inventory
	10-Year Monitoring Plan
	BMP Monitoring
Education and Outreach	Outreach/Communication
	Homeowner Outreach — Stop the Rain Drain
	Homeowner Outreach — Community Clean-up
	Municipal Outreach
	Website and Social Media
	Contractor Outreach

Our Plans

2013 Year In Review

Fund Name	Project Name
Education and Outreach (cont.)	Partnerships
	Events/Outreach
	Homeowner Outreach — Watershed Heroes
Technical Resources and Information Sharing	Local and Agency Plan Review and Tech Committee
	Watershed Approach: MS4 & TMDL Compliance
	Strategic Project Preparation
Future Trends: Research and Positioning	Innovative BMPs Research
	Water Resource Awareness Tools/Methods/Techniques
	National Speakers for Conferences
Geographic Information System	GIS Program Development
	Data Acquisition
	Internal Mapping System
	Impervious Surfaces Data Set
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
	Loeb Lake Shoreline Assessment
	Crosby Lake Shoreline Assessment
Como Lake Subwatershed	Como Park Regional Park Stormwater Plan
	Como BMP Maintenance and Inspection
	Como Lake Implementation Reporting & Audit
Lake McCarrons Subwatershed	Lake McCarrons Subwatershed
	Villa Park Wetland Sediment Sampling

Our Plans

2013 Year In Review

Fund Name	Project Name
Loeb Lake Subwatershed	Willow Reserve Restoration Plan
Crosby Lake Subwatershed	Crosby Lake Management Plan Implementation
Trout Brook Subwatershed	Inspection and Minor Maintenance
	TBI Easement Verification and Documentation
	Center St./Rice St. Subwatershed Analysis
	NPDES MS4 Stormwater Program
	Illicit Discharge Detection and Elimination Program
	(TBI) Television Inspection
Wetland, Stream and Ecosystem Restoration — Planning	Stream Corridor Restoration Feasibility Study
Mississippi River Subwatershed	Mississippi River Subwatershed Initiatives
	Implement Green Infrastructure along the Central Corridor — Planning
	Large Scale Redevelopment Stormwater Planning
	Green Line BMP Maintenance
Watershed Management Planning	Third Generation Watershed Management Plan
Special Projects and Grants	Staff & Engineering Support of Special Grants
	Green Infrastructure Incentive Program
Shoreline and Streambank Restoration	Shoreline and Streambank Restoration Projects
Como Lake BMPs	Curtiss Field Subwatershed Improvements
	Gottfried's Pit Improvement Project
Lake McCarrons BMPs	Villa Park Wetland Restoration Project
	Villa Park Subwatershed BMPs
Loeb Lake BMPs	Stormwater Pond Retrofit

Our Plans

2013 Year In Review

Fund Name	Project Name
Crosby Lake BMPs	Highland Ravine
Trout Brook BMPs	TBI Repair Station 53+08 to 60+49 — Cayuga Interchange
	TBI Repair — Farrington
Wetland, Stream and Ecosystem Restoration — Implementation	Trillium Site — Water Resource Feature — Construction
Mississippi River Subwatershed BMPs	Green Line BMP Implementation
	Green Line Redevelopment BMPs
Special Projects and Grants	Special Grants
Debt Service	Debt and Loan Service

Our Plans

2014 Workplan

Fund Name	Project Name	Priority	Project Description
Adminstration	General Administration	Critical	General Administration of District Operations
	Administrative Allocation	Ongoing	Annual Administrative Cost Allocation to Projects and Programs
Groundwater	Groundwater Protec-tion - Well Sealing	Beneficial	Provide grant reimbursements for well sealing
Rulemaking/ Rule Revisions	Evaluate Rules and Conduct Annual TAC Meeting	Critical	Conduct TAC process to update Rules
Permitting	Implement Permit Program	Critical	Implement District Permit Program
	Permit Tracking Database and Infor-mation Management	Critical	Implement BMP Database for previous permits
	Construction Inspection	Critical	Inspect active permits sites for compliance
	Permit Closure and Post Construction Inspection & Mainte-nance	Important	Inspect completed permit projects for compliance and maintenance
Stewardship Grants	Grant Program Administration	Important	Administer, promote, and outreach on Stewardship Grants
	Project Inspection	Important	Inspection of grant projects to ensure proper construction and function
	Project Design and Assistance	Important	Provide project designs through public and private partners
	Application Process-ing and Grant Award	Important	Grant Award payments, processing

Our Plans

2014 Workplan

Fund Name	Project Name	Priority	Project Description
Monitoring and Data Collection	Baseline Monitoring and Data Collection	Critical	Monitoring of 7 baseline sites, 14 level logger sites and 4 rain gauges
	Lake Monitoring and Data Collection	Critical	Monitoring of 5 CRWD lakes, including chemistry and biological sampling and qualitative parameters
	Villa Park Monitoring and Data Collection	Critical	Monitoring of 2 FWQ sites in Villa Park as well as 2 level loggers and Lake McCarrons flow only station
	Wetland Bio-monitoring	Important	Annual Monitoring of CRWD wetlands including IBI assessments, water quality analysis, data analysis and reporting
	Long-term Monitoring Database Development	Critical	Development of a long term monitoring database for effective data management
	BMP Monitoring	Important	Monitoring of BMP sites — Como 7 (6), Green Line (2), Bdale (1) and 24 level logger sites
Education and Outreach	General	Critical	General Communication and Outreach (Added \$25,000 for U of M Community Assessment)
	Stop the Rain Drain	Critical	Update SRD website to host CRWD Grant Programs
	Homeowner Outreach — Community Clean-up	Critical	Como Leaf Cleanup
	Municipal Outreach	Important	Turf and winter maintenance Best Practices training for municipalities and Parks staff
	Website and Social Media	Important	Maintenance and improvement of CRWD website, purchase of contacts database
	Contractor Outreach	Important	Best Practices training for professional landscape contractors
	Partnerships	Beneficial	Contributions to partner organizations and collaborative groups
	Events/Outreach	Beneficial	Events: Community and CRWD-sponsored, including Green Line outreach activity
	Homeowner Outreach — Watershed Heroes	Beneficial	Partnership with City of Saint Paul Parks to recognize homeowners using clean water practices
Technical Resources and Information Sharing	Local and Agency Plan Review and Tech Committee	Critical	Review plans, serve on local, state, national committees related to stormwater/water quality
	Strategic Project Preparation	Important	Take a project(s) to next level of design to assist with grant applications ("shovel ready")

Our Plans

2014 Workplan

Fund Name	Project Name	Priority	Project Description
Future Trends: Research and Positioning	Innovative BMPs Research	Important	Research of two BMPs or one large BMP to further CRWD understanding of their function
	Water Resource Awareness Tools/ Methods/Techniques	Important	Develop Art Policy work with Watershed Artist in Residence
	Green Infrastructure Incentive Program	Beneficial	Develop incentive program for Green Infrastructure.
	Climate Change Impacts-Research and Action	Beneficial	Research Climate Change impacts on design Standards (Atlas — 14)
Geographic Information Systems (GIS)	GIS Program Development	Important	Manage GIS needs for CRWD
	Data Acquisition	Critical	Purchase and update data layers
	Internal Mapping System	Critical	Maintain and update internal mapping system layers and troubleshoot issues
	Impervious Surfaces Data Set	Critical	Coordinate with GIS user group to obtain updated impervious surfaces data set
Safety Program	Safety Training	Critical	Conduct CSE/first aid/CPR training for CRWD staff
	Safety Program Up-dates/Audits	Critical	Conduct safety audit including assessment of program plan, CSE protocols, office procedures and equipment
	CSE Equipment	Critical	Proper equipment for safe entry into confined spaces including new equipment, calibration, maintenance, and repair expenses
Shoreline and Streambank Maintenance	Lake McCarrons Shoreline Restoration Project	Important	Promote shoreline restoration project around Lake McCarrons
	Saint Paul Natural Resources Intern Program	Important	Sponsor intern with Saint Paul for BMP maintenance or other activities
	Loeb Lake Shoreline Assessment	Important	Conduct assessment of the lake shore
	Crosby Lake Shoreline Assessment	Important	Conduct assessment of the lake shore

Our Plans

2014 Workplan

Fund Name	Project Name	Priority	Project Description
Como Lake Subwatershed	Como Regional Park Stormwater Plan	Important	Complete a Como Regional Park Stormwater Plan
	Como BMP Maintenance and Inspection	Critical	Maintenance and Inspection of Arlington-Pascal BMPs
	Como Lake Implementation Reporting and Audit	Important	Annual MS4 TMDL compliance reporting, State of the Lake, assess need for in-lake management strategies
Lake McCarrons Subwatershed	Aquatic Invasive Species Plan	Critical	Develop an Aquatic Invasive Species Prevention Plan for Lake McCarrons
Loeb Lake Subwatershed	Willow Reserve Restoration Plan	Critical	Planning for the protection and restoration of Willow Reserve in Saint Paul
Crosby Lake Subwatershed	Crosby Lake Management Plan Implementation	Critical	Implement project initiative as listed in the Crosby Lake Management Plan
Trout Brook Subwatershed	Crosby Lake Management Plan Implementation	Critical	Implement project initiative as listed in the Crosby Lake Management Plan
	TBI Easement Verification and Documentation	Critical	Complete easement verification work for TBI and work towards correcting errors in location and filling gaps where there are no easements
	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 and Elimination Program	Critical	Develop a web-based system for citizen reporting of potential illicit discharges
Wetland, Stream and Ecosystem Restoration — Planning	Wetland/Stream Reestablishment Feasibility Study	Important	Wetland/Stream Feature analysis/design for Victoria Park or Ford Site

Our Plans

2014 Workplan

Fund Name	Project Name	Priority	Project Description
Mississippi River Subwatershed	Implement Green Infrastructure along the Central Corridor — Planning	Critical	Planning, Design and Construction of Green Line Stormwater BMP Signage
	Redevelopment Stormwater Planning	Important	Plan, design and other activities for shared, stacked green infrastructure along the Green Line
	Green Line BMP Maintenance	Critical	Maintain and repair CRWD's green infrastructure along Green Line
Shoreline and Streambank Restoration	Shoreline and Streambank Restoration Projects	Important	Implement shoreline restoration and aquatic plant management
	Ravine Stabilization Projects	Beneficial	Complete design and installation of ravine stabilization projects
Como Lake BMPs	Curtiss Field Subwatershed Improvements	Critical	Construction of Curtiss Pond Improvement Project to reduce flooding
	Floating Island	Important	Design and build a floating island wetland in the Como Golf Course Pond
Lake McCarrons BMPs	McCarrons Subwatershed BMPs	Critical	Construct BMPs within McCarrons Subwatershed
Crosby Lake BMPs	Highland Ravine	Critical	Complete the Highland Ravine Stabilization projects.
Trout Brook BMPs	TBI Repair — Farrington/Cottage	Critical	Complete TBI inlet repair and new inlet installation at Farrington and Cottage
Wetland, Stream and Ecosystem Restoration — Implementation	Wetland Improvement	Future	Conduct wetland improvements as identified in the Wetland Management Plan, Appendix F
	Wetland Reestablishment: Implementation	Future	Implement feasible reestablishment projects identified in Wetland and Ecosystem Restoration — Planning (325 C)
	Trout Brook Nature Sanctuary Water Feature — Construction	Critical	\$150K balance of 2-year \$400K cost share for stream elements in the TB Nature Sanctuary

Our Plans

2014 Workplan

Fund Name	Project Name	Priority	Project Description
Mississippi River Subwatersheds BMPs	Green Line Redevelopment BMPs	Important	Design and Construction of Innovative BMP(s) the Green Line
	Lowertown Stormwater Improvement Project	Important	Constructon of innovative BMPs as part of Lowertown Stormwater Improvements
Special Projects and Grants	Special Grants	Critical	Implement Special Grant Program
	Stockholm Tree Trench Demonstration	Critical	Construct Stockholm Tree Trench Demonstration w/ Saint Paul based on 2013 Payne-Maryland Analysis
Debt Service	Debt and Loan Service	Critical	Annual Payment for 2007A, CWF Loan and 2013A Debt

Appendix A

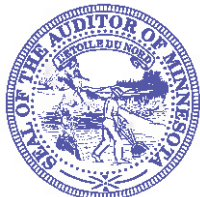
Financial Statements and Audit

ANNUAL FINANCIAL REPORT

Year Ended December 31, 2013

Capitol Region Watershed District

Ramsey County, Minnesota



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)

September 12, 2014

Mr. Mark Doneux
Administrator
Capitol Region Watershed District
1410 Energy Park Drive, Suite 4
St. Paul, Minnesota 55108

Dear Mr. Doneux:

I am pleased to report that the Office of the State Auditor has completed its audit of the Capitol Region Watershed District for the year ended December 31, 2013. Enclosed is our required communication letter along with a copy of our Management and Compliance Report. Our opinion on the financial statements, dated September 5, 2014, was issued with its financial report.

The primary purpose of our audit is to formulate opinions on the Capitol Region Watershed District's financial statements. We also have a responsibility and commitment to assist you in maintaining and improving the District's financial management system.

I am pleased to say that we have issued an unmodified opinion on the Capitol Region Watershed District's financial statements. This means that, in our professional opinion, the financial statements are fairly presented and conform with applicable accounting standards.

In addition to formulating opinions on the Capitol Region Watershed District's financial statements, we reviewed the District's internal controls, legal compliance, and financial management practices. The Management and Compliance Report contains the results of that review.

Sincerely,

A handwritten signature in dark ink, appearing to read "Rebecca Otto", is written over a light blue horizontal line.

Rebecca Otto
State Auditor

RO:eb

Enclosure(s)



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CAPITOL REGION WATERSHED DISTRICT
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INTRODUCTORY SECTION

CAPITOL REGION WATERSHED DISTRICT

ORGANIZATION

December 31, 2013

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
Elizabeth Beckman, Education and Outreach Coordinator
Lindsay VanPattern, Education & Admin. Assistant
Anna Eleria, Water Resource Project Manager
Robert Fossum, Water Resource Project Manager
Forrest Kelley, Regulatory and Conservation Program Manager
Michelle Sylvander, Office Manager
Corey Poland, Water Resource Technician
Britta Suppes, Water Resource Technician
Joe Sellner, Water Resource Technician
Stephanie Herbst, Water Resource Technician
Gustavo Castro, Water Resource Specialist
Nate Zwonitzer, Urban BMP Specialist

FINANCIAL SECTION



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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

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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, 2013, 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, 2013, 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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 10 to the financial statements, in 2013 the District adopted new accounting guidance by implementing the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which represent changes in accounting principles. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

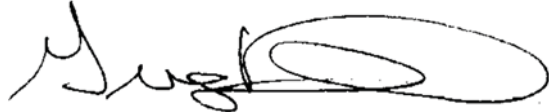
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Capitol Region Watershed District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.


REBECCA OTTO
STATE AUDITOR


GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

September 5, 2014

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, 2013.

Financial Highlights

The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$13,657,142 (Net position). Of this amount, \$1,074,392 (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 \$41,073.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$4,952,036 compared to \$3,402,332 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 three 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, Capital Improvement Fund and Debt Service 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 2013 and 2012.

	2013	Restated 2012
Current and other assets	\$8,293,393	\$5,165,773
Capital assets	12,051,878	11,009,335
Total assets	<u>\$20,345,271</u>	<u>\$16,175,108</u>
Payables	\$1,904,515	\$1,225,052
Other long term liabilities	4,783,614	1,333,987
Total liabilities	<u>\$6,688,129</u>	<u>\$2,559,039</u>
Net position:		
Net investments in capital assets	\$10,115,934	\$9,542,410
Restricted	2,466,816	-
Unrestricted	1,074,392	4,073,659
Total net position	<u>\$13,657,142</u>	<u>\$13,616,069</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 \$41,073.

The details of the increase are as follows:

Capitol Region Watershed District's Changes in Net Position

	2013	Restated 2012
Revenues:		
Program revenues:		
Charges for services	\$30,000	\$199,000
Operating grants and contributions	-	710,930
Capital grants and contributions	1,516,754	2,895,464
General revenues:		
Property taxes	2,596,729	2,438,556
Grants and contributions not restricted to specific programs	36	-
Unrestricted investment earnings	858	588
Miscellaneous other	63,383	5,540
Total revenues	<u>4,207,760</u>	<u>6,250,078</u>
Expenses:		
General government	2,065,385	1,760,980
Conservation of natural resources	2,009,942	774,667
Interest on long term debt	91,360	73,457
Total expenses	<u>4,166,687</u>	<u>2,609,104</u>
Change in net position	41,073	3,640,974
Net position - January 1, as previously reported	13,293,021	9,975,095
Prior period adjustment	323,048	-
Net position - January 1, as restated	<u>13,616,069</u>	<u>9,975,095</u>
Net position - December 31	<u>\$13,657,142</u>	<u>\$13,616,069</u>

The increase in net position in 2013 is mainly due to the 2013A Bond Issue.

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 \$190,700 in 2013, 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 2013.

The Capital Improvement fund balance increased from prior year by \$1,309,626 in 2013, which was primarily due to the issuance of General Obligation bonds and a loan payable.

Management's Discussion and Analysis

The Debt Service fund was created in 2013 to account for debt service activities of the District. The fund balance was \$49,378 at the end of 2013 which was due to the issuance of General Obligation bonds.

Budgetary Highlights

Operations

The operations expenses were under budget by \$251,241. This was due in part to having less project related expenses than anticipated.

Capital Improvement

The capital improvement expenses were under budget by \$2,210,442. 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 2013.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of December 31, 2013, amounts to \$12,051,878. This investment in capital assets is in infrastructure and construction in progress. Accumulated depreciation was \$1,699,725 with current depreciation charges of \$300,590.

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

	December 31,	
	2013	2012
Infrastructure	\$7,158,377	\$7,458,967
Construction in progress	4,893,501	3,550,368
Total	<u>\$12,051,878</u>	<u>\$11,009,335</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. In 2013, the District issued \$3,000,000 in General Obligation bonds for watershed improvement projects.

2013 Financial Highlights

The most significant financial highlight of 2013 is the April 17th Bond Sale. The District sold \$3,000,000 of General Obligation bonds to fund its 2013-2014 Capital Improvement Program. The District received a favorable AA rating from Standard and Poor's and received 5 bids and accepted one at its April 17th Board meeting.

Management's Discussion and Analysis

The District completed the Villa Park Wetland Restoration Project. This project was awarded to Frattalone Construction at a cost of \$1,200,000 which removed nearly 20,000 cubic yards of contaminated sediment from three ponds in the City of Roseville's Lower Villa Park. The project included \$430,000 in funding from an MPCA loan and \$300,000 of partner funding from the City of Roseville. Another major accomplishment of 2013 was completion of Phase II 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 completed in 2012 included approximately 600 feet of realignment including 120 feet under two main line BNSF railroad tracks. Phase II completed in 2013 completion of the final northern segment, connections to the existing Trout Brook Interceptor and the abandonment of the old storm sewer. Phase II includes 200 feet under the former Mississippi Street bridge and connections at both end of the pipe. The 2013 project costs are estimated be \$2,100,000 and is being funded by the MN DOT. The total project included a \$4,788,500 budget and is primarily being funded by the MN DOT.

The District awarded three applications, totaling \$266,534, in special grants to our partners for capital projects in the District. The first phase of construction was completed for the Trillium Site Water Resource Features with its partner, the City of St. Paul. Final site restoration will occur in 2014. The District has committed \$250,000 in funding for the project in 2013 and \$150,000 in 2014. The District also completed maintenance improvements on the Como Park Golf Course Pond.

The District worked with the City of Falcon Heights to include water quality improvements to the City's 2013 Street Improvement Program. The District contributed \$125,000 to this joint effort to improve water quality and reduce flooding in the Como Lake Subwatershed.

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.

BASIC FINANCIAL STATEMENTS

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

December 31, 2013

Statement 1

	Primary Government Governmental Activities
Assets:	
Cash and short term investments	\$6,311,915
Property taxes receivable:	
Due from county	43,753
Delinquent	63,273
Due from other governments	1,868,952
Prepaid items	5,500
Capital assets - net:	
Depreciable	7,158,377
Nondepreciable	4,893,501
Total assets	<u>20,345,271</u>
Liabilities:	
Accounts payable	284,692
Contracts payable	1,131,103
Deposits payable	423,337
Accrued interest payable	65,383
Loans payable:	
Due within one year	39,807
Due in more than one year	390,193
Bonds payable:	
Due within one year	65,000
Due in more than one year	4,245,944
Compensated absences payable:	
Due within one year	42,670
Total liabilities	<u>6,688,129</u>
Net position:	
Net investments in capital assets	10,115,934
Restricted	2,466,816
Unrestricted	1,074,392
Total net position	<u>\$13,657,142</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, 2013

Statement 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>	
			<u>Capital Grants and Contributions</u>	
Primary government:				
Governmental activities:				
General government	\$2,065,385	\$30,000	\$ -	(\$2,035,385)
Conservation of natural resources	2,009,942	-	1,516,754	(493,188)
Interest on long term debt	91,360	-	-	(91,360)
Total governmental activities	<u>\$4,166,687</u>	<u>\$30,000</u>	<u>\$ -</u>	<u>(2,619,933)</u>
General revenues:				
Property taxes				2,596,729
Grants and contributions not restricted to specific programs				36
Unrestricted investment earnings				858
Miscellaneous other				63,383
Total general revenues				<u>2,661,006</u>
Change in net position				41,073
Net position - January 1, as previously reported				13,293,021
Prior period adjustments (see Note 10)				323,048
Net position - January 1, as restated				<u>13,616,069</u>
Net position - ending				<u>\$13,657,142</u>

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

CAPITOL REGION WATERSHED DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2013

Statement 3

	<u>Operations</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Total Governmental Funds 2013</u>
Assets				
Cash and short-term investments	\$2,434,507	\$3,828,030	\$49,378	\$6,311,915
Due from other governments	-	1,868,952	-	1,868,952
Taxes receivable:				
Delinquent	54,136	9,137	-	63,273
Due from county	37,436	6,317	-	43,753
Prepaid items	5,500	-	-	5,500
Total assets	<u>\$2,531,579</u>	<u>\$5,712,436</u>	<u>\$49,378</u>	<u>\$8,293,393</u>
Liabilities:				
Accounts payable	\$188,479	\$96,213	\$ -	\$284,692
Contracts payable	-	1,131,103	-	1,131,103
Deposits payable	423,337	-	-	423,337
Total liabilities	<u>611,816</u>	<u>1,227,316</u>	<u>-</u>	<u>1,839,132</u>
Deferred inflows of resources:				
Unavailable revenue	54,136	1,448,089	-	1,502,225
Fund balance:				
Nonspendable	5,500	-	-	5,500
Restricted	-	2,417,438	49,378	2,466,816
Assigned	-	619,593	-	619,593
Unassigned	1,860,127	-	-	1,860,127
Total fund balance	<u>1,865,627</u>	<u>3,037,031</u>	<u>49,378</u>	<u>4,952,036</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$2,531,579</u>	<u>\$5,712,436</u>	<u>\$49,378</u>	<u>\$8,293,393</u>
Fund balance reported above				\$4,952,036
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets net of related depreciation used in governmental activities are not financial resources, and, therefore, are not reported in the funds.				12,051,878
Long-term liabilities, including compensated absences and bonds payable, loans payable and related interest payable are not due and payable in the current period and, therefore, are not reported in the funds.				(4,848,997)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.				1,502,225
Net position of governmental activities				<u>\$13,657,142</u>

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, 2013

Statement 4

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
Revenues:				
General property taxes	\$2,222,829	\$375,109	\$ -	2,597,938
Intergovernmental:				
Grants and reimbursements	-	573,602	-	573,602
MVHC	31	5	-	36
Interest income	323	535	-	858
Permit fees	30,000	-	-	30,000
Miscellaneous	6,636	56,747	-	63,383
Total revenues	<u>2,259,819</u>	<u>1,005,998</u>	<u>-</u>	<u>3,265,817</u>
Expenditures:				
Current:				
General government:				
Other services and charges	169,535	-	-	169,535
Salaries & benefits	710,908	114,400	-	825,308
Supplies	56,273	-	-	56,273
Noncapitalized equipment	264,398	337	-	264,735
Legal	17,524	-	-	17,524
Engineering	213,664	208,603	-	422,267
Projects and studies	636,817	1,309,647	-	1,946,464
Capital outlay - construction in progress	-	1,343,133	-	1,343,133
Debt services:				
Principal	-	65,000	-	65,000
Interest	-	51,325	-	51,325
Issuance costs	-	76,365	-	76,365
Total expenditures	<u>2,069,119</u>	<u>3,168,810</u>	<u>-</u>	<u>5,237,929</u>
Revenues over (under) expenditures	<u>190,700</u>	<u>(2,162,812)</u>	<u>-</u>	<u>(1,972,112)</u>
Other financing sources (uses):				
Bond issuance	-	2,950,622	49,378	3,000,000
Bond premium	-	91,816	-	91,816
Loan proceeds	-	430,000	-	430,000
Total other financing sources (uses)	<u>-</u>	<u>3,472,438</u>	<u>49,378</u>	<u>3,521,816</u>
Net change in fund balance	190,700	1,309,626	49,378	1,549,704
Fund balance - January 1	<u>1,674,927</u>	<u>1,727,405</u>	<u>-</u>	<u>3,402,332</u>
Fund balance - December 31	<u><u>\$1,865,627</u></u>	<u><u>\$3,037,031</u></u>	<u><u>\$49,378</u></u>	<u><u>\$4,952,036</u></u>

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

CAPITOL REGION WATERSHED DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2013

Statement 5

	<u>2013</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)	\$1,549,704
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	1,343,133
Depreciation expense	(300,590)
Accrued interest payable:	
At December 31, 2013	(65,383)
At December 31, 2012	21,893
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:	
Debt issued or incurred:	
Issuance of general obligation bonds	(3,000,000)
Issuance of loans payable	(430,000)
Premium on issued bonds	(91,816)
Principal payment	65,000
Amortization of premium	3,455
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Unavailable revenue:	
At December 31, 2013	1,502,225
At December 31, 2012	(560,282)
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, 2013	(42,670)
At December 31, 2012	46,404
Change in net position of governmental activities (Statement 2)	<u><u>\$41,073</u></u>

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

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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 District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

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 and Debt Service 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 and bond proceeds.

Debt Service Fund is established to account for debt associated with the District's activities.

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.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

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

D. BUDGETS

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

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

E. LEGAL COMPLIANCE – BUDGETS

The District prepares annual revenue and expenditure budgets for the District's Operations Fund and the Capital Improvement 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 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.

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 inflow of resources because they are 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 are amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

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.

Unassigned - is the residual classification for the Operations 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

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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, 2013.

L. COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused paid time off benefits. All paid time off 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 Board 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, Capital Improvements and Debt Service 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 inflows of resources – unavailable revenue and will be recognized as revenue in the fiscal year that they become available.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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.

O. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental fund balance sheet. The governmental funds report unavailable revenues from the following sources: property taxes and receivables from other governmental units.

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, bonds payable and loans payable and related interest payable, are not due and payable in the current period and, therefore, are not reported in the funds”. The details of this (\$4,848,997) difference are as follows:

Bonds payable	(\$4,310,944)
Loans payable	(430,000)
Compensated absences	(42,670)
Accrued interest	<u>(65,383)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>(\$4,848,997)</u></u>

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

The governmental fund statement of revenues, expenditures and changes in fund balance includes a reconciliation between *net changes in fund balances – total governmental funds and changes in net 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 \$941,943 difference are as follows:

Unavailable revenue:	
At December 31, 2012	(\$560,282)
At December 31, 2013	<u>1,502,225</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$941,943</u></u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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 \$1,042,543 difference are as follows:

Capital outlay - construction in progress	\$1,343,133
Depreciation expense	<u>(300,590)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$1,042,543</u></u>

Another element of that reconciliation states that “some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds”. The details of this \$3,734 difference are as follows:

Compensated absences payable:	
At December 31, 2012	\$46,404
At December 31, 2013	<u>(42,670)</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$3,734</u></u>

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

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

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

- a) United States government treasury bills, treasury notes, treasury bonds;
- b) Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

- 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, 2013.

B. INVESTMENTS

Minnesota Statutes authorize the District to invest in the following:

- a) Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as “high risk” by Minn. Stat. § 118A.04, subd. 6;
- b) Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
- c) General obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
- d) Bankers’ acceptances of United States banks;
- e) Commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
- f) With certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

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

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

At December 31, 2013, the District held \$6,311,915 in a pooled investment fund (4M Fund) organized under Minn. Stat. 471.59, the Joint Powers Act.

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

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

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

Note 3 RISK MANAGEMENT

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

Workers compensation coverage for District employees and board members is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The District pays an annual premium to LMCIT. The District is subject to supplemental assessments if deemed necessary by the LMCIT. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. For workers compensation, the District is not subject to a deductible. The District workers compensation coverage is retrospectively rated. With this type of coverage, final premiums are determined after loss experience is known. The amount of premium adjustment, if any, is considered immaterial and not recorded until received or paid.

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

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

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 4 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Construction in progress	\$3,550,368	\$1,343,133	\$ -	\$4,893,501
Capital assets depreciated				
Infrastructure	8,858,102	-	-	8,858,102
Less accumulated depreciation for:				
Infrastructure	1,399,135	300,590	-	1,699,725
Total capital assets depreciated, net	7,458,967	(300,590)	-	7,158,377
Total capital assets, net	<u>\$11,009,335</u>	<u>\$1,042,543</u>	<u>\$0</u>	<u>\$12,051,878</u>

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

Governmental activities:	
Conservation of Natural Resources	<u>\$300,590</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 5 LONG-TERM DEBT

The District issued a Tax Supported Bonds Series 2007A to provide funds for capital improvements. In 2013, the District issued 2013A General Obligation Bonds to finance watershed improvement projects. In addition, in 2013, the District issued a loan payable for the Enhanced TP Removal in Urban Wetland CWP Project.

GOVERNMENTAL ACTIVITIES

As of December 31, 2013, the governmental long-term bonded debt of the financial reporting entity consisted of the following:

	Interest Rates	Date	Final Maturity Date	Original Issue	Payable 12/31/13
Tax Supported Bonds:					
\$1,555,000 Series 2007A	3.75-4.75%	1/4/2007	2/1/2027	\$1,555,000	\$1,215,000
\$3,000,000 Series 2013A	2.00-3.00%	4/17/2013	2/1/2034	3,000,000	3,000,000
Unamortized premium				101,924	95,944
Total bonded indebtedness - governmental activities				<u>4,656,924</u>	<u>4,310,944</u>
Loans payable:					
MPCA Loan Payable	2%	12/15/2013	12/15/2023	<u>430,000</u>	<u>430,000</u>
Total District indebtedness - governmental activities				<u>\$5,086,924</u>	<u>\$4,740,944</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Annual debt service requirements to maturity are as follows:

	Bonds				Loans payable	
	Tax Supported Bond Series 2007A		G.O. Bond Series 2013A		MPCA	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$65,000	\$48,806	\$ -	\$84,096	\$39,807	\$7,850
2015	70,000	46,106	120,000	68,237	40,053	7,605
2016	70,000	43,306	125,000	65,787	40,857	6,799
2017	75,000	40,406	125,000	63,287	41,679	5,979
2018	75,000	37,406	130,000	60,737	42,517	5,141
2019	80,000	34,306	135,000	58,087	43,372	4,286
2020	85,000	30,953	135,000	55,387	44,243	3,414
2021	85,000	27,447	140,000	52,638	45,132	2,525
2022	90,000	23,838	140,000	49,838	46,039	1,617
2023	95,000	20,022	145,000	46,988	46,301	692
2024	100,000	15,937	145,000	44,088	-	-
2025	105,000	11,581	150,000	40,950	-	-
2026	110,000	7,013	155,000	37,519	-	-
2027	110,000	2,338	155,000	34,032	-	-
2028	-	-	160,000	30,488	-	-
2029	-	-	165,000	26,625	-	-
2030	-	-	165,000	22,500	-	-
2031	-	-	170,000	18,100	-	-
2032	-	-	175,000	13,356	-	-
2033	-	-	180,000	8,250	-	-
2034	-	-	185,000	2,775	-	-
Totals	<u>\$1,215,000</u>	<u>\$389,465</u>	<u>\$3,000,000</u>	<u>\$883,765</u>	<u>\$430,000</u>	<u>\$45,908</u>

Governmental Activities	Beginning Balance	Additions	Reductions	Amortized Premiums	Ending Balance	Due Within One Year
Bonds payable:						
2007A Tax supported bonds	\$1,280,000	\$ -	(\$65,000)	\$ -	\$1,215,000	\$65,000
2013A General obligation bonds	-	3,000,000	-	-	3,000,000	-
Total bonds payable	1,280,000	3,000,000	(65,000)	-	4,215,000	65,000
Premium on bonds	7,583	91,816	-	(3,455)	95,944	-
Total bonded indebtedness	1,287,583	3,091,816	(65,000)	(3,455)	4,310,944	65,000
Loans payable						
MPCA loan payable	-	430,000	-	-	430,000	39,807
Total long-term liabilities	<u>\$1,287,583</u>	<u>\$3,521,816</u>	<u>(\$65,000)</u>	<u>(\$3,455)</u>	<u>\$4,740,944</u>	<u>\$104,807</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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 April 1, 2012 through March 31, 2015. Lease expenditures including the District's share of operating costs for the year ended December 31, 2013 amounted to \$65,876.

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 November 1, 2013 through October 31, 2018. Lease expenditures for the year ended December 31, 2013 amounted to \$5,168.

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

	Office Space	Copier	Total
2014	\$35,114	\$7,192	\$42,306
2015	9,050	7,192	16,242
2016	-	7,192	7,192
2017	-	7,192	7,192
2018	-	5,394	5,394
Total	<u>\$44,164</u>	<u>\$34,162</u>	<u>\$78,326</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, 2013

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 2013. The District was required to contribute the following percentages of annual covered payroll in 2013: 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, 2013, 2012 and 2011 were \$47,358, \$39,960 and \$37,915, 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 2013 are:

Balance January 1, 2013	\$46,404
Additions	54,780
Deductions	<u>(58,514)</u>
Balance December 31, 2013	<u>\$42,670</u>
Due within one year	<u>\$42,670</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 9 FUND BALANCE

A. CLASSIFICATIONS

At December 31, 2013, a summary of the governmental fund balance classifications are as follows:

	<u>Operations</u>	<u>Capital Improvement</u>	<u>Debt Service Fund</u>	<u>Total</u>
Nonspendable:				
Prepaid items	\$5,500	\$ -	\$ -	\$5,500
Total nonspendable	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
Restricted to:				
Capital projects	-	2,417,438	-	2,417,438
Debt service	-	-	49,378	49,378
Total restricted	<u>-</u>	<u>2,417,438</u>	<u>49,378</u>	<u>2,466,816</u>
Assigned to:				
Capital improvement	-	619,593	-	619,593
Total assigned	<u>-</u>	<u>619,593</u>	<u>-</u>	<u>619,593</u>
Unassigned	1,860,127	-	-	1,860,127
Total	<u>\$1,865,627</u>	<u>\$3,037,031</u>	<u>\$49,378</u>	<u>\$4,952,036</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

Note 10 CHANGE IN ACCOUNTING PRINCIPLE/ PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2013, the District implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* resulted in accounts previously presented as liabilities being reclassified as deferred inflows of resources. In addition, GASB 65 results in the restatements of beginning net position to reflect the change in accounting for bond issuance costs. Prior to GASB 65, bond issuance costs were capitalized and amortized over the life of the issuance.

During 2013, corrections to the prior year governmental financial statements were made to correct revenue relating to a project reimbursement received in 2013 that should have been accrued is due from other governments in 2012. This adjustment had no effect on the fund financial statements fund balances as the amount was offset with unavailable revenue.

The restatement of net position/fund balance due to the elimination of deferred charges and changes to revenue is summarized as follows:

	<u>Governmental Activities</u>
Net position - as previously reported	\$13,293,021
Prior period adjustments:	
Restatement of deferred charges	(23,990)
2012 revenue adjustment	<u>347,038</u>
Net prior period adjustments	<u>323,048</u>
Net position - as restated	<u><u>\$13,616,069</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CAPITOL REGION WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - OPERATIONS
For The Year Ended December 31, 2013

Schedule 1

	Budgeted Amounts		2013 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Tax levy	\$2,272,860	\$2,272,860	\$2,222,829	(\$50,031)
Intergovernmental:				
MVHC	25,000	25,000	31	(24,969)
Interest income	2,500	2,500	323	(2,177)
Permit fees	20,000	20,000	30,000	10,000
Miscellaneous	-	-	6,636	6,636
Total revenues	<u>2,320,360</u>	<u>2,320,360</u>	<u>2,259,819</u>	<u>(60,541)</u>
Expenditures:				
Administrative	376,900	376,900	450,008	(73,108)
Programs	1,318,616	1,318,616	1,349,526	(30,910)
Projects	624,844	624,844	269,585	355,259
Total expenditures	<u>2,320,360</u>	<u>2,320,360</u>	<u>2,069,119</u>	<u>251,241</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	190,700	<u>\$190,700</u>
Fund balance - January 1			<u>1,674,927</u>	
Fund balance - December 31			<u><u>\$1,865,627</u></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, 2013

Note A BUDGETS

The Operations Fund budget is 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.

The Board of Managers adopts an annual budget for the Operations 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.

SUPPLEMENTARY INFORMATION

CAPITOL REGION WATERSHED DISTRICT
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT
For The Year Ended December 31, 2013

Schedule 2

	Budgeted Amounts		2013 Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
General property taxes	\$383,552	\$383,552	\$375,109	(\$8,443)
Intergovernmental:				
Grants and reimbursements	2,685,000	2,685,000	573,602	(2,111,398)
MVHC	-	-	5	5
Interest income	1,000	1,000	535	(465)
Miscellaneous	-	-	56,747	56,747
Total revenues	<u>3,069,552</u>	<u>3,069,552</u>	<u>1,005,998</u>	<u>(2,063,554)</u>
Expenditures:				
Shoreline and streambank restoration	16,220	16,220	7,962	8,258
Como - project maintenance, inspection and monitoring	164,200	164,200	187,572	(23,372)
McCarron's BMP	1,945,940	1,945,940	1,278,410	667,530
Trout Brook BMP	2,161,510	2,161,510	18,742	2,142,768
Crosby Lake BMP	171,350	171,350	54,900	116,450
Wetland, Stream and Ecosystem Restoration - Implementation	259,200	259,200	2,376	256,824
Mississippi River Subwaters - Implementation	150,000	150,000	17,802	132,198
Special projects and grants	338,210	338,210	64,323	273,887
Debt services	172,622	172,622	193,590	(20,968)
Capital outlay	-	-	1,343,133	(1,343,133)
Total expenditures	<u>5,379,252</u>	<u>5,379,252</u>	<u>3,168,810</u>	<u>2,210,442</u>
Revenues over (under) expenditures	<u>(2,309,700)</u>	<u>(2,309,700)</u>	<u>(2,162,812)</u>	<u>146,888</u>
Other financing sources (uses):				
Bond issuance	1,800,000	1,800,000	2,950,622	1,150,622
Bond premium	-	-	91,816	91,816
Loan proceeds	430,000	430,000	430,000	-
Total other financing sources (uses)	<u>2,230,000</u>	<u>2,230,000</u>	<u>3,472,438</u>	<u>1,242,438</u>
Net increase (decrease) in fund balance	<u>(\$79,700)</u>	<u>(\$79,700)</u>	1,309,626	<u>\$1,389,326</u>
Fund balance - January 1			<u>1,727,405</u>	
Fund balance - December 31			<u>\$3,037,031</u>	

Appendix B

Printed Materials



News from Capitol Region Watershed District Winter 2013

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

INSIDE

2 Stop the Rain Drain update

3 Upcoming projects

3 Como Lake: Past, Present, and Future presentation

BACK 2013 Partner Grants

Like us on
Facebook!



Como Golf Course Pond Improvement Project

by Lindsay VanPatten

Improvements to the Como Golf Course Pond began in fall 2012 and will be complete by early summer 2013. The pond is located south of Hoyt Avenue West and east of North Chelsea Street within the City of Saint Paul's Como Golf Course. The pond, finished in late 2007, is adjacent to the 3rd and 11th fairways and was a part of the Arlington Pascal Stormwater Improvement Project. It is located at a natural low point in the golf course and was designed to capture stormwater to minimize flooding in the surrounding neighborhoods. It also allows pollutants to settle before the stormwater flows to Como Lake.

Due to an increased frequency of larger rainfall events, lack of vegetation around the pond, and poor soil conditions, the pond had suffered from bank

erosion, and turf loss was a problem on the adjacent fairway.

In 2012, CRWD proposed improvements to address these issues. Drainage improvements are being made to the fairway, the size of the pond will be increased, the pond edge regraded, and a continuous native shoreline buffer installed. These improvements will enable the treatment of a larger volume of runoff, stabilize the shoreline, deter nuisance wildlife, and improve the quality of stormwater before it flows into Como Lake. So, watch for the new and improved Como Golf Course Pond — construction of the area is complete and replanting of the shoreline will take place this spring.



Como Golf Course construction



Capitol Region

Watershed District

1410 Energy Park Drive Ste 4

St. Paul, MN 55108

651-644-8888

capitolregionwd.org

Established in 1998, CRWD 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
Shirley Reider

Staff:

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Melissa Baker, Water Resource Technician
Elizabeth Beckman, Education & Outreach
David Depaz, Seasonal Water Resource Technician
Anna Eleria, Water Resource Specialist
Bob Fossum, Water Resource Project Manager
Forrest Kelley, Permit Coordinator
Corey Pohland, Seasonal Water Resource Technician
Joe Sellner, Seasonal Water Resource Technician
Britta Suppes, Water Resource Technician
Lindsay VanPatten, Education Assistant and Receptionist

Stop the Rain Drain 2012 update

by Lindsay VanPatten

CRWD residents do their part to keep our lakes and rivers clean. Since 2010, 133 homeowners have responded to CRWD's call to redirect their downspouts!

Redirecting rainwater that runs down polluted alleys and streets to lawn and garden areas allows it to soak into the ground. This decreases pollution reaching the Mississippi River and may also decrease the need to water plants or gardens.

In addition to helping clean water, **Stop the Rain Drain** has increased homeowner awareness of clean water issues and the role of CRWD in protecting our water resources. This spring, when snow is melting, take a look down your street or alley and notice where the water is going and what it might be carrying with it on its way to our lakes and rivers.

Be part of the solution; these small changes can have large impacts. To learn more about CRWD and how you can help protect and improve our water resources please visit our website at capitolregionwd.org.



Sample doorhanger

Downspout draining to greenspace



Completed gutter redirection



Improving the function of Curtiss Pond will reduce flooding to the park and neighborhood.

CRWD plans exciting projects for 2013

by Elizabeth Beckman

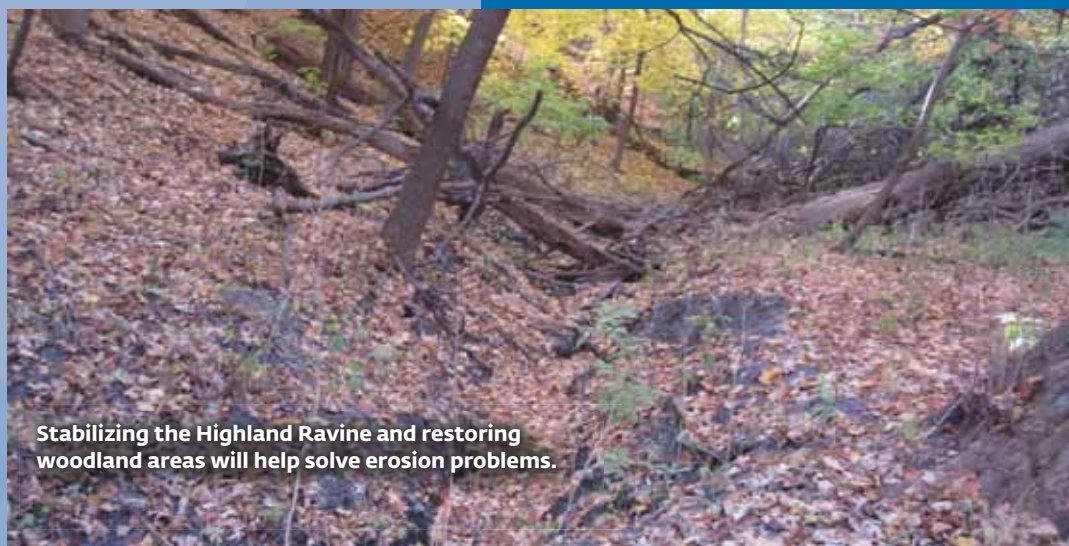
The **Villa Park Wetlands** next to Roseville's Lake McCarrons will be restored this summer by removing decades-worth of sediment. The project will result in higher quality wetland habitat and improved treatment of stormwater runoff on its way to Lake McCarrons. CRWD has also received \$275,000 from the MN Clean Water Fund for a project to determine the best locations for clean water projects to reduce pollution in stormwater draining to Villa Park Wetland.

Work on Saint Paul's new **Trillium Nature Sanctuary** will begin this summer with the construction of clean water features including ponds, wetlands and a 3,000-ft stream channel. The sanctuary is a 42-acre site located west of 35E between Maryland Avenue and Cuyuga Street.

In Saint Paul's Highland neighborhood, the **Highland Ravine** has been subject to serious soil erosion problems for years. During large rainfalls, enormous amounts of stormwater carrying sediment and woody debris flow down the ravine's

steep slopes and into the Mississippi River via the city's storm drain system. With a grant from the MN Clean Water Fund, CRWD will stabilize the ravine and restore woodland areas to help solve erosion problems. The project will begin this spring and be completed in 2014.

The use of Curtiss Field in Falcon Heights is often impacted by the frequent flooding of **Curtiss Pond**. CRWD will work with the City of Falcon Heights to improve the function of the pond and reduce flooding to the park and neighborhood.



Stabilizing the Highland Ravine and restoring woodland areas will help solve erosion problems.

FREE EVENT!

Como Community Sunday Series

Como Lake:

Past, Present,
and Future

February 17, 2-3:30 p.m.

North Dale Recreation Center
1414 St. Albans Street, Saint Paul



For more information visit
www.districttocomopark.org



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

CRWD 2013 Partner Grants

**Now accepting grant applications
for clean water projects ranging
from \$2,000 to \$20,000.**

Cleaner lakes and rivers depend on more citizen participation, so CRWD offers grants to help organizations and institutions who work with citizens to prevent water pollution. Examples of eligible clean water projects include education or organizing projects, events, rain gardens, or pervious pavement.

Visit the Grants page at capitolregionwd.org for an application and a list of past grantees.

Applications are due February 15

Como Lake Neighbor Network
Leaf Clean-up Event





News from Capitol Region Watershed District Summer 2013

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

INSIDE

- 2 Trout Brook Nature Sanctuary groundbreaking
- 3 Engaging youth in clean water
- 3 Villa Park Improvements
- BACK** 2014 Partner Grants



Like us on
Facebook!

Elizabeth Beckman, CRWD and Barb Mundahl, City of Saint Paul admire a boulevard rain garden.



Saint Paul residents plant 80 boulevard rain gardens

by Lindsay VanPatten

This past May and June, residents of the Hamline-Midway and Macalester-Groveland neighborhoods of Saint Paul gathered to plant 80 rain gardens in their boulevards between the sidewalk and the curb.

This area of lawn is often left unplanted or landscaped. Because the boulevard is adjacent to the street and the curb where stormwater runs, it provides a great opportunity for preventing polluted stormwater from traveling down the streets and into the stormdrain system to local lakes and the Mississippi River. CRWD has partnered with the City of Saint Paul Public Works Department to identify neighborhoods that are scheduled to have their streets reconstructed as part of the City's Residential Street Vitality Program (RSVP) that would be suitable to install boulevard rain gardens.

In 2013, CRWD organized two RSVP rain garden planting events. The events took place on May 18, for residents of the Hamline-Midway neighborhood and on June 8, for residents of the Macalester-Groveland neighborhood. At the planting events, homeowners picked up native rain garden plants and planting plans, and were able to ask CRWD staff questions. The Hamline-Midway event near Hewitt-Tatum was a success despite rain the entire morning and all 30 gardens were planted within a few days. The weather was perfect for the June 8 event



Residents and GRG staff planting a boulevard rain garden.

near Prior-Goodrich in Macalester-Groveland and all 50 gardens were planted that day. Volunteers and Staff from Great River Greening were out to help the residents with the planting and any questions at both events.

Thank you to all of the homeowners who have participated and nurtured their new rain gardens and a special thank you to Great River Greening for their assistance at the planting events. Together we are helping to keep pollution out of our lakes and rivers.

What sites get RSVP boulevard rain gardens?

- Large enough boulevard area to capture runoff from the street
- No utility conflicts
- Does not interfere with the major root system of existing trees

Capitol Region Watershed District

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Michelle Sylvander, Office Manager
Lindsay VanPatten, Education Assistant
and Receptionist
Nate Zwonitzer, Urban BMP Specialist

CRWD board and staff members break ground
at Trout Brook Nature Sanctuary in June.



Trout Brook Nature Sanctuary groundbreaking

by Lindsay VanPatten

On June 11, 2013 CRWD board and staff members, Saint Paul Parks and Recreation officials, neighborhood representatives and other city and county leaders gathered for the official groundbreaking of Trout Brook Nature Sanctuary, previously called Trillium Nature Sanctuary. Construction is scheduled to begin in late summer 2013. The site will be the second-largest public reserve in Saint Paul with the largest being Bruce Vento Nature Sanctuary.

Historically the site included a portion of open stream that was part of the natural hydrologic system that connected Lake McCarrons to the Mississippi River. In the late 1800s, the open stream was redirected to underground pipes and a major railroad line was built on top of the old stream corridor.

Impacts from the train line, the highly urban drainage area and large industrial operations

surrounding the site have created a significant on-site pollution problem that has been at the forefront of the planning process. When complete, the Nature Sanctuary will include water features such as wetland areas and open stream channels, and a recreational trail system.

The project has been decades in the making and was originally initiated by residents of the area and members of the Tri Area Block Club. The project has been a highly collaborative process. Tri Area Block Club member, Linda Jungwirth said she "is looking forward to seeing the shared vision of the site become reality."



Kathleen Anglo, City of Saint Paul Parks and
Linda Jungwirth, Tri Area Block Club member at
Trout Brook Nature Sanctuary site.

Engaging youth in clean water projects

by Elizabeth Beckman

CRWD is fortunate to partner this summer with Great River Greening's Science Area Teen Network. The Network engages at-risk youth in projects that teach leadership and career development skills, as well as the economic value of clean water and biodiversity. Through classroom discussions, service projects and mentorship with diverse community members, teens learn about challenges involved in caring for our environment and how they can be part of the solution.



A Science Area Teen Network intern using an iPad to record rain garden maintenance information.

Villa Park Wetland work underway

by Bob Fossum

Villa Park Wetland is a pond and wetland system that was improved in 1985 to reduce the amount of pollution entering Lake McCarrons. The wetland system reduces pollution levels by capturing nutrients, sediment and other pollutants before they enter the lake. Over time the effectiveness of the wetland system has decreased.

In an effort to restore the system's capacity to reduce and capture stormwater pollution, CRWD began to remove the excess sediment using hydraulic dredging. The hydraulic dredge sucks up the sediment like a large vacuum and it is then pumped to large bag-like structures called geotextile tubes. These tubes capture the sediment that is pumped in but allow the sediment-free water to escape through the fabric and drain back to the wetland system. Once the geotextile tubes are full the sediment is then hauled off by truck.

It is expected that 20,000 cubic yards of sediment will be removed and the average depth of the ponds will go from being less than one foot to four feet. The project began in May, 2013 and will conclude in October, 2013.



Hydraulic dredge removing sediment.



Geotextile tubes full of captured sediment to be hauled away.



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

CRWD 2014 Partner Grants

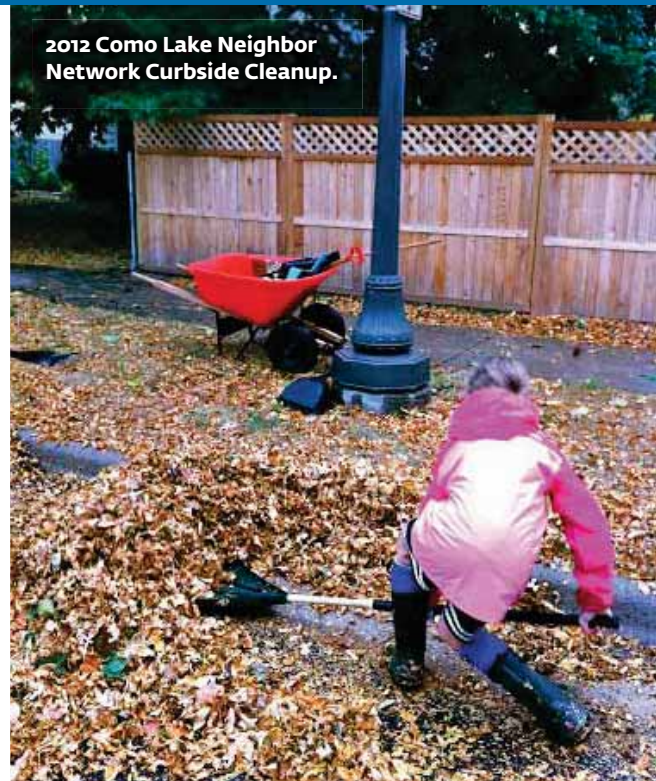
Apply for a grant for your clean water project

Cleaner lakes and rivers depend on more citizens taking action. CRWD offers grants to help organizations and institutions who work with citizens to prevent water pollution. Example eligible clean water projects include education programs, project organizing or events.

Visit the Grants page at capitolregionwd.org for an application on September 20. Grant requests for up to \$20,000.

Applications are due October 25, 2013.

2012 Como Lake Neighbor
Network Curbside Cleanup.





News from Capitol Region Watershed District Fall 2013

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

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and Receptionist
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U of M researchers looking closely at Como leaves

by Elizabeth Beckman

Como neighborhood streets are lined with beautiful trees in a gorgeous spectrum of fall colors. But fallen leaves flowing from streets into storm drains cause damage to another neighborhood treasure, Como Lake.

The lake turns pea soup green in summer and can start to smell. This is caused by excess plant nutrients like phosphorus and nitrogen. Cars drive over leaves and break them down, nutrients come out of those leaves and leach into rainwater that flows into the lake through storm drains.

University of Minnesota researcher Chris Buyarski wants to know **when** different species of trees drop their leaves to help the city of Saint Paul time street sweeping to keep as much tree litter as possible out of the lake.

Como neighborhood volunteers are helping out by observing selected trees close to their homes at least once a week. Volunteers record details like when trees flower, drops seeds and when leaves start to change color—when that happens, they're getting ready to drop and will end up in the street gutter. They record details on paper or their smartphone.

City of Saint Paul looks forward to the results of this study to help better time street sweeping on particular streets so less debris makes its way to the lake.

When leaves flow to Como Lake through storm drains, they bring excess nutrients that damage the lake.



In the Como neighborhood, a volunteer recorded details about how a tree was changing in the fall.



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Don't P in the lake... it's the law!

Soils in the Land of 10,000 lakes are naturally rich in phosphorus, so in 2005, the state legislature restricted the use of phosphorus fertilizer to protect lakes and rivers. [MN state statute (18C.60)]. If your soil test indicates you need fertilizer, look for a phosphorus-free product. All fertilizers are labeled with three numbers —such as 22-0-15—to indicate amounts of nitrogen, phosphorus and potassium. Look for middle number 0.

Healthy lawns start in the fall

by Elizabeth Beckman

A healthy lawn soaks up rain and prevents stormwater runoff. Cool-season grasses that make up turfgrass in Minnesota need attention and care in fall, so take steps now for a healthy lawn next year:

Get a soil test. Most Minnesota soils are already phosphorus rich, so why apply it if you don't need to? Get testing info at soiltest@umn.edu or 612 625-3101.

Shred the leaves. Fall leaves can smother a lawn if left in place all winter. Rake them up, or use a mulching mower to shred leaves into nutrient-rich bits you can leave right on the lawn.

Throw off thatch. Thatch is decaying plant matter accumulated at the soil level. Thatch is caused by excess fertilizing, not by mulching grass clippings. Thatch denies grass roots air, water and nutrients they need. Put down organic matter like compost or mulched leaves to stimulate soil microbes to break down thatch. If it's so bad that water can't penetrate the thatch, remove it now with a stiff rake.

Mow high. Continue to mow grass until it stops actively growing. For the final mowing this season, cut grass to 2½ inches.

No fast food. If your soil test shows you need fertilizer, use a slow-release organic one.

Reseed bare areas. Seed bare or weedy patches now. Fall temperatures are perfect for grass seed, plus it has less competition from annual weeds.



To keep your lawn healthy, take steps in the fall such as getting your soil tested (top) and mulching leaves.

Bugs' Night Out



Thursday, June 20, 2013, 6-7:30 pm

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

Dip into Como Lake with bug expert Brandon Burns! We'll use nets to get a closer look at what lives in the lake and learn what this tells us about healthy water.

For children ages 6 to 11. Children must be accompanied by an adult. Please register for this free event by contacting Lindsay at 651-644-8888 or lindsay@capitolregionwd.org.

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



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St. Paul, MN 55108

Bugs' Night Out

Thursday, June 20, 2013

6-7:30 pm

Register today!

Contact Lindsay at 651-644-8888 or
lindsay@capitolregionwd.org.



Clean Water By Design

A stormwater training for landscape professionals

Friday, March 8, 8:00-11:30 a.m.

Capitol Region Watershed District

1410 Energy Park Drive, #4, Saint Paul, MN 55108

Historically, stormwater runoff from urban roofs, sidewalks and driveways was viewed as a waste product to be routed to the nearest surface water through storm drains. But more and more homeowners want to direct stormwater where it can soak into the ground to prevent water pollution, replenish groundwater and be a water source for gardens and lawns.

Join landscape specialist **Andy Schilling** to learn tricks of the trade for designing and installing attractive and effective projects: rain gardens,

cisterns, rain barrels, permeable pavement, dry wells and driveway treatments are some of the project elements that can help prevent water pollution and enhance the home landscape.

Join the growing number of landscape contractors who know the ground rules for clean water!



Andy Schilling

Andy Schilling is a Watershed Restoration Specialist at Washington Conservation District. He works with private landowners and public partners to implement stormwater projects and find retrofit opportunities in priority watershed areas. He has design-build experience ranging from small residential projects to full stormwater management plans on large sites. Andy has degrees in geology and landscape architecture, which explains his habit of driving slowly at every road cut.

Register for this free training by March 5 with Lindsay: lindsay@capitolregionwd.org or 651-644-8888. Continental breakfast and coffee served.



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Saint Paul Green Roof Tour July 16, 5:30-8:00pm

Join Capitol Region Watershed District (CRWD) and Minnesota Green Roofs Council (MGRC) on July 16 for a look at green roofs in Saint Paul. We'll hear from MGRC green roof expert Angie Durham and visit both residential and institutional green roof sites including the new roof at Hamline University. We'll also speak to homeowners and faculty involved in these projects.

Meet at CRWD office at 5:30pm.

We'll shuttle from there to the various sites. Sandwiches provided during the introduction presentation at 6:00pm.

Tour ends back at CRWD at 8:00pm.

Event is free of charge, but you must register. Contact Lindsay at CRWD, lindsay@capitolregionwd.org or (651) 644-8888.



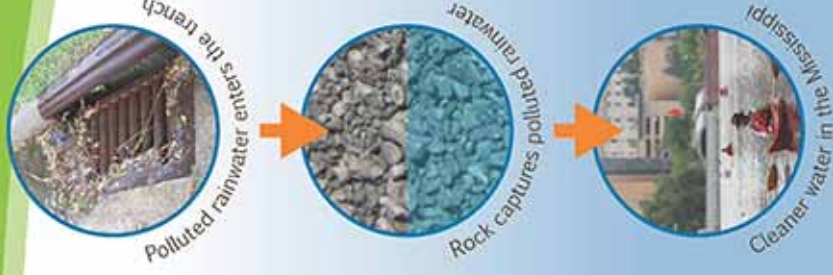
WHAT'S BENEATH THE STREET?

Rock trenches along the Green Line help reduce pollution in the Mississippi River. Here's how—

Polluted rainwater flows through storm drains into large pipes under the street. These pipes—punched with thousands of holes—are buried in long trenches filled with rocks the size of golf balls. The water fills the pipes and seeps through the holes into the rocks and soil. This filters millions of gallons of polluted water every year.



The trenches remove enough polluted rainwater in a year to fill more than 13 swimming pools!



Why?

Polluted rainwater carries dirt, oil and trash to the Mississippi River when it flows from streets into storm drains. Rain gardens, stormwater planters and rock trenches on side streets were built along the Green Line to clean polluted rainwater before it reaches the river. The Green Line on University Avenue also has the longest stretch of tree trench in Minnesota — five miles!

More information and
multilingual signs at
capitalgreenline.org

PUTTING DOWN ROOTS

Gardens along the Green Line help reduce pollution in the Mississippi River. Here's how—

It starts when polluted rainwater flows from streets into storm drains. Polluted rainwater usually drains right to the river. But not here. Curb openings let water flow into the garden's layers of mulch and soil. Plant roots guide water deeper to seep slowly into the ground. The roots absorb pollution and take up some of the water to nourish the plants.



Why?

Polluted rainwater carries dirt, oil and trash to the Mississippi River when it flows from streets into storm drains. Rain gardens, stormwater planters and rock trenches on side streets were built along the Green Line to clean polluted rainwater before it reaches the river. The Green Line on University Avenue also has the longest stretch of tree trench in Minnesota — five miles!



More information and
multilingual tips at
go.greenline.org



PUTTING DOWN ROOTS

Planters along the Green Line help reduce pollution in the Mississippi River. Here's how—

It starts when polluted rainwater flows from streets into storm drains. Polluted rainwater usually drains right to the river. But not here. Curb openings let water flow into the planter's layers of mulch and soil. Plant roots guide water deeper to seep slowly into the ground. The roots absorb pollution and take up some of the water to nourish the plants.



Why?

Polluted rainwater carries dirt, oil and trash to the Mississippi River when it flows from streets into storm drains. Rain gardens, stormwater planters and rock trenches on side streets were built along the Green Line to clean polluted rainwater before it reaches the river. The Green Line on University Avenue also has the longest stretch of tree trench in Minnesota — five miles!



More information and
multilingual signs at
greenline.org

ROOTING OUT POLLUTION

Trees along the Green Line help reduce pollution in the Mississippi River. Here's how—

Polluted rainwater usually flows from streets into storm drains and right to the river. But here, storm drains take up the flow and send it into long underground trenches filled with soil and rock and planted with trees. The trees sink their roots into the rocks where the water is stored. Extra water the trees don't need seeps deeper into the ground and is filtered by the layers of rock and soil.



Why?

Polluted rainwater carries dirt, oil and trash to the Mississippi River when it flows from streets into storm drains. Rain gardens, stormwater planters and rock trenches on side streets were built along the Green Line to clean polluted rainwater before it reaches the river. The Green Line on University Avenue also has the longest stretch of tree trench in Minnesota — five miles!



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