

2018

# ANNUAL REPORT

CAPITOL REGION WATERSHED DISTRICT



# LETTER FROM ADMINISTRATOR

## From the Administrator:



On behalf of the Board of Managers and staff at CRWD I would like to share some highlights of projects initiated prior to and ongoing in 2018.

In 2018, CRWD completed the construction of our new office facility in the Midway neighborhood of Saint Paul. The renewed building utilizes green building principles including stormwater management practices and energy efficiency measures to conserve natural resources, creates a healthy workplace and protects the Mississippi River.

CRWD's new office will serve as a community watershed learning center by offering educational opportunities to showcase its work to protect, manage and improve our water resources. One of the community highlights will be a pocket park, installed when weather warms in 2019, combining the natural and built environments with interactive elements to draw in neighbors and visitors. Meeting space is also available for use by partner organizations.

The District was pleased to work with the City of Saint Paul, Minnesota United FC and site owners RK Midway to construct a comprehensive stormwater management system at Allianz Field. Improvements include comprehensive rainwater and stormwater capture and reuse systems as well as tree trenches and rain gardens to improve water quality and reduce groundwater pumping by 2.8 million gallons each year. The stadium and comprehensive stormwater management system will begin operation in 2019.

The District adopted a Diversity Strategic Plan for 2018-2020. Staff is working closely with the Diversity Committee, Citizen Advisory Committee and Board of Managers to develop clear goals, action steps, indicators of success and timelines. Staff will begin 2019 by reviewing our hiring practices to ensure an inclusive process and provide a diverse pool of candidates.

The Board of Water Resources completed a performance review of CRWD in 2018. The findings concluded that the District has been very effective in conducting water quality monitoring programs and water quality improvement projects with an emphasis on water management research and increasing awareness of water quality issues. CRWD has also been effective at achieving goals outlined in our Watershed Management Plan and developing partnerships has been a key to the District's success. The District was commended for meeting 11 of 11 High Performance Standards. Best practices identified throughout this process will be considered as we move into planning for our 2020 plan.

I am proud of the work we accomplished with our many partners in 2018 and would like to express my appreciation to CRWD's Board of Managers and Citizen Advisory Committee; the Cities of Saint Paul, Falcon Heights, Maplewood, Roseville and Lauderdale; Saint Paul's District Planning Councils; Ramsey County and residents for your continued support in helping protect and improve water quality in our lakes and the Mississippi River.

Respectfully,

*Mark Doneux*

Mark Doneux, Administrator



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Western Sculpture Park. Photo: Sara Rubenstein



Bang Brewing. Photo: Sara Rubenstein



Hidden Falls. | Cover photo, Como Lake. Photos: Caroline Yang



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# OUR ORGANIZATION

**Mission** To protect, manage and improve the water resources of Capitol Region Watershed District (CRWD).

**Vision** CRWD 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.

## Background

CRWD is a local, special-purpose unit of government that works to protect, manage and improve lakes, streams, rivers and wetlands of the District. The District covers 40 square miles and includes portions of the Cities of Falcon Heights, Lauderdale, Maplewood, Roseville and Saint Paul. All the water in the District eventually drains to the Mississippi River.

In 1998, a small group of dedicated citizens, concerned about water quality in Como Lake, petitioned the Minnesota Board of Water and Soil Resources to create CRWD. Some of the founding members are still active in the organization today on the Citizen Advisory Committee and Board of Managers. This is a testament to how much residents care about our local water resources.



# OUR ORGANIZATION

## Watershed Management Plan

The District's Watershed Management Plan (WMP) was adopted on September 1, 2010. The WMP is the blueprint for the work of CRWD and includes goals and objectives, watershed data, standards, priorities and implementation plans. Planning is underway for the 2020 WMP with stakeholder engagement to begin in early 2019.

## Performance Review and Assistance Program – Level II Assessment

Since 2008, the Board of Soil and Water's (BSWR) Performance Review and Assistance Program (PRAP) has assessed the performance of units of government, such as CRWD, that constitute Minnesota's local delivery system for conservation of water and related land resources. The program goal is to assist these local government partners to be the best they can be in their management of Minnesota's land and water resources.

A Level II PRAP was completed to evaluate progress made on plan implementation, operational effectiveness, partner relationships and compliance with performance standards. CRWD was commended for meeting 11 out of 11 High Performance Standards.

*"The Capitol Region Watershed District (CRWD) has been very effective in conducting water quality monitoring programs and water quality improvement projects. The CRWD has been particularly effective in conducting water management research and increasing awareness of water quality issues.*

*The CRWD has been very effective in achieving the goals outlined in their water management plan and has been successful in creating partnerships and joint efforts to do so.*

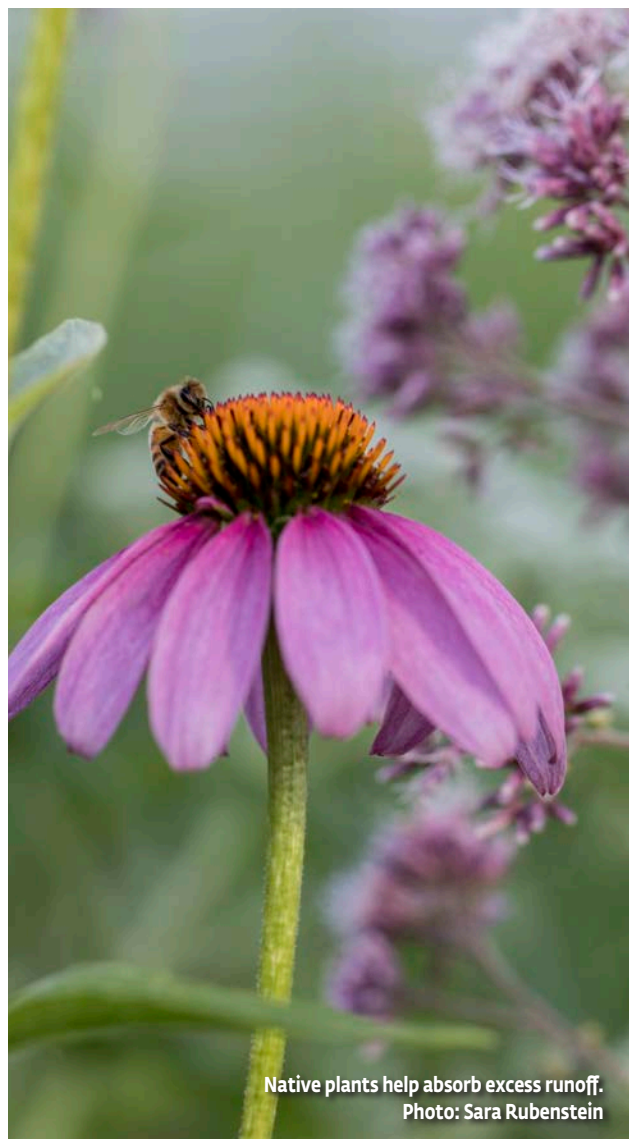
*High marks were given to the CRWD by about 90% of their partners in the areas of quality of work, relationships, initiative and follow through with 78% rating the District strong or good in the communication area. This demonstrates a strong working relationship with partners.*

*The CRWD shows complete compliance with BWSR's basic and high performance standards."*

## Finances

State statutes 103B and 103D provide watershed districts with 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 WMP. More specific information on CRWD's finances and a copy of the 2018 Financial Statement and Audit can be found in Appendix A.

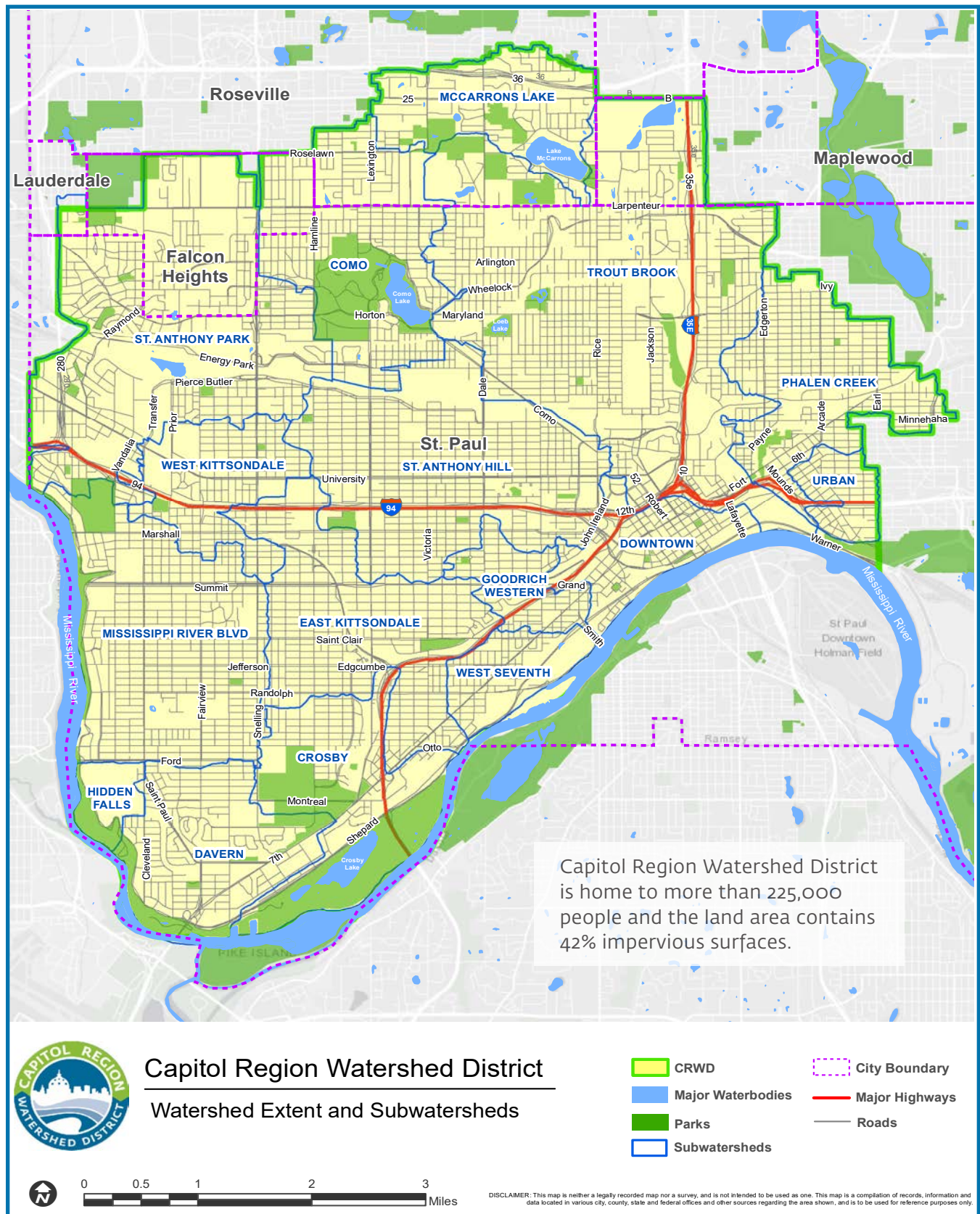


Native plants help absorb excess runoff.  
Photo: Sara Rubenstein



# OUR ORGANIZATION

## District Map



# 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 CRWD's WMP. Board Managers are appointed by the Ramsey County Board of Commissioners and serve a three-year term.



Left to right: [Rick Sanders](#), Education & Information | [Shirley Reider](#), Treasurer | [Joe Collins](#), President  
[Mary Texer](#), Vice President | [Seitu Jones](#), Secretary | [Mark Doneux](#), Administrator

## Citizen Advisory Committee

The Citizen Advisory Committee (CAC) assists the Board of Managers with organizational development and strengthens connections between CRWD and its residents. Meetings are held the second Wednesday of each month and are open to the public. 2018 members below (L-R) Mike MacDonald, Gwen Willems, Tom Elko, David Arbeit, Pat Cavanaugh, Mary Lilly, Richard Weil, Nicole Soderholm, Steve Duerre, Bob Simonet and Bill Barton. Not pictured: Cheryl Braun, Kathryn Swanson, Michelle Ulrich and Carol Zierman.



## 2018 Consulting Engineers

Applied Ecological Services, 21938 Mushtown Road, Prior Lake, MN  
Barr Engineering, 4300 MarketPointe Drive, Minneapolis, MN  
Emmons & Olivier Resources, Inc., 651 Hale Ave. N., Oakdale, MN  
Geosyntec, 100 South Washington Ave., Minneapolis, MN  
HR Green and Associates, 2550 University Ave. W., Ste. 400N, St Paul MN  
Houston Engineering, Inc., 6901 East Fish Lake Rd., Maple Grove MN  
MSR, 710 South 2nd Street, 8th Floor, Minneapolis, MN  
SRF Consulting Group, Inc., One Carlson Pkwy, Ste. 150, Minneapolis, MN  
Wenck Associates, 1800 Pioneer Creek Center, Maple Plain, MN  
LimnoTech, 7300 Hudson Blvd., Ste. 295, Oakdale, MN

## 2018 Staff

[Mark Doneux](#), Administrator  
[Britta Belden](#), Monitoring Program Coordinator  
[Jessica Bromelkamp](#), Communications & Engagement Division Manager  
[Anna Eleria](#), Planning, Projects & Grants Division Manager  
[Bob Fossum](#), Monitoring & Research Division Manager  
[Belinda Gardner](#), Administrative Assistant  
[Elizabeth Hosch](#), BMP Inspector  
[Mark Houle](#), Water Resource Technician  
[Forrest Kelley](#), Regulatory Division Manager  
[Andrew Novak](#), Urban BMP Specialist  
[Lindsay Schwantes](#), Community Outreach Coordinator  
[Joe Sellner](#), Water Resource Technician  
[Michelle Sylvander](#), Office Manager  
[Sarah Wein](#), Water Resource Technician  
[Nate Zwonitzer](#), Water Resource Project Manager

Photos this page: Half Acre House Photography and Design



# RECOGNITION & AWARDS

## 2018 Recognition and Awards Ceremony

CRWD recognized the contributions of residents, community organizations and businesses as well as CAC members and staff at the 2018 Recognition and Awards Ceremony.

- 1 Watershed Citizen of the Year**  
Michael Stoick for engaging youth as environmental stewards.
- 2 Watershed Partner of the Year**  
Wes Saunders-Pearce for his leadership and support of clean water projects in Saint Paul.
- 3 Watershed Project of the Year**  
The Hamline Midway Coalition for their leadership of the Pierce Butler Meadows project.
- 4 Watershed Outreach Program of the Year**  
The Summit Hill Association for engaging youth and the community in the Water Wise program.
- 5 Lifetime Steward Award**  
Cy Kosel for his leadership in protecting and improving Saint Paul's water resources.

### CAC, Board and Staff Recognition

David Arbeit: 20 years of service, Citizen Advisory Committee

Anna Eleria: 10 years of service, CRWD staff member

Michelle Sylvander: 5 years of service, CRWD staff member

Nate Zwonitzer: 5 years of service, CRWD staff member

Nate Zwonitzer: CRWD Outstanding Employee of the Year



CRWD annual awards reception

Photos: Half Acre House Photography and Design



# RECOGNITION & AWARDS

## State and National Project and Program Presentations

In 2018, staff presented the work of CRWD at conferences throughout the country:

### Mark Doneux

*Curtiss Pond Project*

- Central States Water Environment Federation Association's Annual Meeting

*BMP Database*

- Central States Water Environment Federation Association's Annual Meeting

### Britta Belden and Mark Doneux

*William Street Pond*

- The American Society of Civil Engineers Environmental & Water Resources Institute
- Water Environment Federation's Annual Technical Exhibition & Conference

### Forrest Kelley

*Upper Villa Stormwater Reuse Project*

- The American Society of Civil Engineers Environmental & Water Resources Institute

### Anna Eleria

*Trout Brook Hydrologic and Hydraulic Modeling*

- The American Society of Civil Engineers Environmental & Water Resources Institute

### Bob Fossum

*Sustainable Stormwater Management Study of the Ford Site*

- International Low Impact Development Conference

## CRWD's 2018 State, Regional and National Recognition

### National Municipal Stormwater and Green Infrastructure Phase II Award

- Water Environment Federation

### Project of the Year – Upper Villa Stormwater Reuse Project

- Minnesota Association of Watershed Districts



CRWD accepts Project of the Year award from MAWD for the Upper Villa Stormwater Reuse Project.

# OUR WORK

## CRWD Water Resources

All of the water in CRWD eventually drains to the Mississippi River through a complex series of underground stormwater pipes. The District includes five lakes: Como Lake, Crosby Lake, Little Crosby Lake and Loeb Lake in Saint Paul, and Lake McCarrons in Roseville. These lakes serve important recreational needs for CRWD residents and visitors, including fishing, boating and swimming. CRWD conducts water quality monitoring of District lakes in collaboration with Ramsey County Public Works, Ramsey County Soil & Water Conservation Division Parks & Recreation Department (RCSWCD) and the Minnesota Department of Natural Resources (DNR).

Groundwater is the water found below ground in the cracks and spaces in soil, sand and rock. In Ramsey County it is used for heating and cooling as well as manufacturing processes. Saint Paul Regional Water Services also augments water from the Mississippi River with treated groundwater to meet drinking water demands.

Only a few natural wetlands remain in the District because they were filled or altered during urbanization and development over the past century. Today, the largest wetland tracts include: Woodview Marsh located near Larpenteur Avenue in Roseville, Willow Reserve located near Maryland Avenue in Saint Paul and Villa Park wetland located northwest of Lake McCarrons in Roseville.

### Como Lake

Located in the City of Saint Paul, Como Lake is a relatively shallow (approximately 16 feet deep), 70.5 acre lake located in a highly urbanized watershed. Como Lake and its associated parkland are a major regional recreational amenity within the metro area. The lake drains 1,856 acres of land in Saint Paul, Roseville and Falcon Heights.

Nonpoint source pollution in stormwater runoff is the most serious threat to the water quality of Como Lake because it carries sediment and nutrients — in the form of phosphorus from decomposing organic material and nutrients from lawn fertilizers — 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 the Como Lake Strategic Management Plan. The plan identifies management strategies and implementation activities to address priority issues. The plan identifies 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 to the lake by 60%. In 2017, CRWD conducted the Como



Como Lake in Saint Paul. Photo: Caroline Yang



# OUR WORK

## CRWD Water Resources (cont.)

Lake: Water Quality Drivers Analysis Study to better understand what factors are contributing to the poor water quality observed in Como Lake. Based on the results of this analysis, and in conjunction with additional monitoring, CRWD is in the process of developing a new management plan for Como Lake to guide future management decisions.

### Loeb Lake

Loeb Lake is a 9.7 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 a Minnesota Department of Natural Resources Fishing in the Neighborhood program site. The most common species found in the lake is bluegill. Water quality is generally very good given its location in a highly urbanized subwatershed. While nutrients are relatively low to moderate year-round, nutrients such as phosphorus are still a concern for lake water quality.

In 2009, CRWD completed the Loeb Lake-Willow Reserve Management Plan, which defines critical water-related issues for Loeb Lake and recommends management goals and activities to address the issues. The plan also considers goals and activities for Willow Reserve, a wetland and wildlife preserve located northeast of Loeb Lake. In 2016, CRWD staff began restoration activities at Willow Reserve and finalized the Willow Reserve Restoration Plan. Restoration of the site, including invasive plant/tree removal, continued in 2018.

### Crosby Lake and Little Crosby Lake

Crosby Lake and Little Crosby Lake are located within the floodplain of the Mississippi River and are part of a complex of wetland and forested areas associated with the Mississippi River Valley. The land surrounding Crosby Lake is collectively known as Crosby Farm Regional Park and is managed by the



Crosby Lake in Saint Paul. Photo: Sara Rubenstein

# OUR WORK

## CRWD Water Resources (cont.)

City of Saint Paul's Department of Parks and Recreation. Crosby Farm is also part of the National Park Service's Mississippi National River and Recreation Area.

Crosby Lake is 45 acres in size with a maximum depth of 17 feet. Because the lake receives only a small amount of local drainage, the lake's water quality has generally been good with very good lake clarity. Little Crosby Lake is eight acres in size with an average depth of seven feet and a maximum depth of 34 feet. Little Crosby Lake is connected to Crosby Lake through an 825-foot-long marsh and bog area. In recent years, however, the water quality in both Crosby and Little Crosby Lakes has fluctuated due to extended inundations from Mississippi River flooding, which was also the case in 2018.

In 2012, CRWD completed the Crosby Lake Management Plan which includes management goals and implementation projects. The plan was reviewed by both technical and citizen advisory groups and approved by CRWD's Board in 2012.

### Lake McCarrons

Lake McCarrons is a 75-acre lake located in the City of Roseville. With a maximum depth of 57 feet and a 34% lake littoral area, it supports a variety of activities including swimming, boating and fishing. Water quality in Lake McCarrons has generally been good since an alum treatment was completed on the lake in 2004. It has met all nutrient (total phosphorus, chlorophyll-a, and Secchi disk depth) water quality standards as defined by the Minnesota Pollution Control Agency since the alum treatment occurred. The Lake McCarrons management plan was developed in 2003 and sets a target goal for total phosphorus to minimize summer algae blooms. Therefore, nutrient management continues to be a focus for maintaining and improving lake water quality. CRWD staff, along with partner agencies, completed an Aquatic Invasive Species plan to guide future management decisions for the lake with respect to invasive plants/aquatic life. Staff are also in the process of developing a new management plan to guide future management decisions.



Lake McCarrons in Roseville. Photo: Sara Rubenstein



# OUR WORK

## CRWD 2018 Projects

### CRWD's New Office Space

CRWD moved to the Midway neighborhood of Saint Paul (595 Aldine Street) in December 2018. The District's new headquarters is a focal point for sustainable design, development and education.

The renewed building utilizes green building principles including stormwater management practices and energy efficiency measures to conserve natural resources, create a healthy workplace and protect the Mississippi River. Gathering spaces are available for community and partner organizations to use.

CRWD's watershed learning center will offer on-site educational opportunities to showcase its work to protect, manage and improve water resources including Como Lake, Crosby Lake, Loeb Lake, Lake McCarrons and the Mississippi River. One of the community highlights will be a pocket park, combining the natural and built environments with interactive elements to draw in neighbors and visitors. Completion of the pocket park is expected in the summer of 2019.

### Willow Reserve Restoration

Willow Reserve is a 23-acre bird and wildlife reserve located along Maryland Avenue between Arundel and Virginia Streets. The reserve was established by a neighborhood group and the City of Saint Paul in the 1960s. The wetland is fed by water from the Trout Brook storm sewer system and provides flood protection for the surrounding community. The City of Saint Paul owns and manages the property. CRWD, the City of Saint Paul and the District 6 Planning Council met with residents on several occasions to discuss the project and gather input to develop the Willow Reserve Restoration Plan. The goals of the plan are to remove invasive trees and plants and create more diverse plant communities to support local wildlife including birds, amphibians and insects.

Project construction began in the winter of 2016-2017 with the removal of invasive trees at the reserve. Those trees were either chipped and used for new trails, burned onsite or hauled offsite. Some of the tree material was even used in the construction of CRWD's new office!



CRWD's new headquarters in Saint Paul

# OUR WORK

## CRWD 2018 Projects (cont.)

Invasive plants including reed canary grass, Japanese knotweed, and burdock were managed during the 2017-2018 growing season. In late-summer and fall of 2018, native trees, shrubs, and emergent vegetation were planted in key areas of the reserve. Seeding with habitat-specific seed mixes also occurred throughout the site. Monitoring and maintenance of plantings, seeding, and re-growth of undesirable species will occur throughout 2019. Long-term management will be required to ensure the plants are successful and the invasive species do not return.

### Snelling-Midway Redevelopment Project

The 35-acre Snelling-Midway superblock along University Avenue in Saint Paul has long been viewed as a prime site for redevelopment and in the eyes of CRWD, also an opportunity to incorporate innovative, sustainable green infrastructure practices on a brownfield site to help improve the water quality of the Mississippi River. In late 2015, Minnesota United FC, Minnesota's professional men's soccer team, selected the site as the home for its future 20,000-seat soccer stadium. Following stadium development that was slated for completion in 2018, the remainder of the site, owned by a private developer, will be

redeveloped in a phased manner for mixed uses including commercial, residential, institutional and open space.

The City of Saint Paul and CRWD forged a partnership in early 2016 to investigate the feasibility of building a shared stormwater management system for the entire 35-acre site as part of the soccer stadium construction. The system would treat runoff from multiple parcels with shared practices that utilize landscape features and/or natural processes to provide environmental, social and economic benefits. The partners envision utilizing "rainwater as a resource" on the site and demonstrating its value to the thousands of stadium visitors and future residents and tenants.

In 2018, MN United FC completed a majority of construction for Allianz Field including a storm sewer network and installation of a comprehensive stormwater management system. A rainwater harvesting and reuse system was installed beneath the Great Lawn on the north side of the stadium. The system captures runoff from the roof of Allianz Field in an approximately 675,000-gallon tank. The captured rainwater is treated through filters and disinfected with UV light and ozone. The tanks were oversized to capture rainwater from the



Urban Roots youth help remove invasive plants in Willow Reserve.  
Photo: Caroline Yang



# OUR WORK

## CRWD 2018 Projects (cont.)

roofs of future buildings in the redevelopment block. Rainwater will be used to irrigate the Great Lawn and other greenspaces around the stadium and will also be available for internal, non-potable water use. The system will be commissioned and operational for irrigating the greenspaces in spring 2019.

Runoff from the new street grid is collected and treated by tree trenches. Eighteen sections of tree trenches equal to 2,000 linear feet with nearly 200 trees were constructed in 2018. Other Best Management Practices (BMPs) installed include raingardens in the two parking lots to the west of Allianz Field and underground filtration BMPs for runoff from the soccer pitch and bowl and east parking lot.

### Lake McCarrons Boulevard Rain Garden Project

The Lake McCarrons Raingarden Project was a CRWD Clean Streets Initiative designed to target stormwater runoff conveyed to Lake McCarrons via streets in the City of Roseville. Through this project, CRWD and the City of Roseville coordinated street reconstruction efforts with building rain gardens to create efficiencies and save money. The City of Roseville provided several

major components of the installation including erosion control measures, 90% of the rain garden excavation and construction of the concrete curb-cut inlet. CRWD and RCSWCD staff identified 64 properties in the targeted neighborhood as having potential for an effective boulevard curb-cut rain garden. We received favorable response from 31 interested project participants and hosted 26 people at a community event in February 2018. After site consultations, design and review we had 15 committed participants. Construction of 14 rain gardens was completed in October of 2018.

### Parkview School Underground Filtration BMP

Parkview Center School was identified as a potential regional stormwater treatment site in subwatershed analyses for Lake McCarrons. A successful Targeted Watershed Grant application through the Board of Water and Soil Resources funded through the Clean Water, Land, and Legacy



Native plants help absorb excess runoff. Photo: Sara Rubenstein

# OUR WORK

## CRWD 2018 Projects (cont.)

Amendment allowed CRWD to further evaluate the site for water quality improvement potential. A feasibility study completed in 2017 found that due to high groundwater and poor soils a filtration project was the preferred BMP.

In 2018, CRWD began designing the filtration system to be installed at the bottom of the steep slope east of the school's parking lot. The system would then be buried, and the fill used to bury the BMP would serve as a base for a future parking lot expansion which benefits the school. A series of ten-foot diameter pipes will store water diverted from the County Road B storm sewer where it will then pass through a proprietary filter cartridge vault. About 30 filter cartridges will remove pollutants including dissolved phosphorus from the stormwater before it returns to the storm sewer and eventually flows to Villa Park and Lake McCarrons. The million-dollar project is estimated to remove over 45 pounds of phosphorus per year, and construction is anticipated to occur in the fall of 2019.

### Como Subwatershed BMPs

For several years CRWD has been working with the City of Saint Paul to identify and prioritize regional BMP sites with a primary focus on opportunities within Como Park. A successful Targeted Watershed Grant application through the Board of Water and Soil Resources funded through the Clean Water, Land, and Legacy Amendment provided the funding needed for CRWD to advance designs for multiple BMPs and fast track their implementation. A feasibility study identified several opportunities that could be pursued immediately as well as projects whose construction could coincide with future planned park improvements.

In 2018, CRWD began designing several BMPs within Como Park that were identified in the feasibility study. The BMPs will treat runoff from the park as well as neighborhoods whose runoff goes through the park before flowing to Como Lake. Retrofitting a stormwater

pond at the north west corner of the golf course with an iron-enhanced sand filter bench was shown to be the most cost-effective BMP option. CRWD owns and maintains the pond and the filtration bench would have minimal impact on the golf course making the project an ideal retrofit opportunity.

The second BMP being designed is an expansion of an existing infiltration basin designed to treat runoff from portions of Como Zoo. Expansion of this basin coupled with a large underground infiltration gallery in the golf course was identified as a cost-effective way to treat a large portion of runoff from Como Zoo as well as surrounding neighborhoods that drain into the same storm sewer. Design of these BMPs will continue in 2019 with construction anticipated for fall 2019 through spring 2020.

### Seminary Pond Stormwater Improvement Project

Several years ago, CRWD completed a project to improve flood control and pollutant removal of Seminary Pond, a regional stormwater pond built in 1992 in Lauderdale. The pond serves a 128-acre drainage area in the Cities of Lauderdale and Falcon Heights, Ramsey County and the University of Minnesota. Proposed pond improvements include converting Seminary Pond from a dry pond to a wet pond by deepening the pond and raising the berm and installation of an iron-enhanced sand filter along the pond edge to remove dissolved phosphorus. Besides improvements to the pond, the ravines upstream of the pond will be stabilized to prevent sediment from reaching the pond in the first place. In 2018, CRWD and the City of Lauderdale completed a majority of the design and engineering work for the project and anticipate wrapping up this work by end of summer 2019. Construction is anticipated for fall 2020.





# OUR WORK

## CRWD 2018 Projects (cont.)

### Trout Brook Storm Sewer Interceptor

CRWD owns, operates and maintains the Trout Brook Interceptor (TBI), which receives runoff from the Cities of Saint Paul, Roseville, Falcon Heights and Maplewood as well as Ramsey County and the Minnesota Department of Transportation. The system was constructed between the 1880s and 1950s and served as a combined sanitary and storm sewer system. TBI ranges from 5 to 11 feet in diameter and tunnel shapes include circular, rectangular and horseshoe. In 1988, the systems were separated. Today, TBI carries rainwater and snowmelt from city streets, parking lots and other hard surfaces to the Mississippi River.

In 2018, CRWD conducted no major repairs of TBI. Instead it focused its efforts on completing an update and calibration of its hydraulic and hydrologic model for TBI. The model now includes the most current rainfall data, Atlas 14, and better illustrates the 2, 10, 100 and 500-year storm events. The model results indicate that no sections of TBI surcharge, or exceed its capacity, during the 2 and 10-year storm events. During larger storm events, TBI surcharges in a number of locations.

Approximately, 200 structures surcharge during 100-year storms and 400 during 500-year storms. Nine distinct flood areas, caused by surcharging of TBI, have been identified and are a priority for evaluating flood mitigation alternatives in the future.



# OUR WORK

## 2018 Education and Outreach

### General Outreach

The goals of the Education and Outreach Program are to reduce nonpoint source pollution, and to increase clean water knowledge, participation and action among CRWD residents and partners to protect our water resources. The District organized outreach for adults and youth in partnership with numerous community organizations and CRWD's member cities. Staff, partners and volunteers collaborated with over 6,000 residents as part of nearly 100 public events, trainings, presentations, resource assistance, school visits, field trips and tours within the District.

### Adopt-a-Drain

CRWD continues to partner with Hamline University's Center for Global Environmental Education and the City of Saint Paul to implement the Adopt-a-Drain program. Participating residents adopt storm drains and keep them free and clear of debris. They are asked to report

the amount of material collected throughout the year.

The results are used to determine the program's collective impact on water quality. In 2018, the program had over 300 new signups and there are now over 1,400 storm drains adopted by Saint Paul residents. In 2018, volunteer efforts removed an estimated 18,000 pounds of material or over seven pounds of total phosphorus from entering storm drains and flowing into the Mississippi River.

In fall 2017, the Adopt-a-Drain program was expanded to include the community surrounding Lake McCarrons in the City of Roseville. CRWD continued to support the program in 2018 and there are now 71 storm drains adopted.

Volunteer actions resulted in an estimated 2,600 pounds of debris and over a pound of total phosphorus prevented from reaching Lake McCarrons.

CRWD will continue to work with program partners to improve and expand the reach of Adopt-a-Drain to new communities of the District.





# OUR WORK

## 208 Education and Outreach (cont.)

### Master Water Stewards

CRWD completed its third year of the Master Water Stewards program in partnership with Freshwater Society. The program trains, certifies and supports community leaders to install clean water projects that educate community members, reduce pollutants from urban runoff and allow more water to soak into the ground instead of flowing into storm drains and the Mississippi River.

In 2018, 78 residents partnered with watershed districts, management organizations and cities throughout the Twin Cities Metropolitan Area to participate in this training program. CRWD sponsored five new Stewards and continued to support nine individuals who have completed the certification and live within the District. Training courses for the 2018 class concluded in April. After finishing the training curriculum, Stewards began their Capstone Projects. Projects included two residential rain gardens, development of a project Story Map and how-to tutorial, and a stormwater and environmental justice curriculum training for interns at Kitty Andersen Youth Science Center. The graduated stewards reported over 280 hours of volunteer services that included tabling and education at various community events or farmers markets and water related training and consultations for friends and neighbors.

### Metro Watershed Partners

CRWD is a member of Watershed Partners, a coalition of more than 70 organizations working to educate and inspire residents to protect Minnesota lakes and rivers. In 2018, Watershed Partners implemented the final year of a three-year campaign to more effectively engage residents in watershed protection efforts. Twelve new seasonally-appropriate stories about metro area residents taking action to keep Minnesota waters clean were published on the updated [Cleanwatermn.org](http://Cleanwatermn.org) website. The stories were written for partners to use in communications via social media, websites and newsletters. A system of trackable links allows partners to measure engagement. The website also features an interactive “Find my Watershed” map tool. In spring 2018, Watershed Partners launched a pilot Clean Streets, Clean Water Neighborhood Cleanup Kit and collected feedback from pilot participants that will be used to develop final materials for full launch of this tool in 2019 in conjunction with a metro-wide roll-out of the Adopt-a-Drain program including a new website.

Watershed Partners worked with Hamline University to host the Adopt-a-Drain signup and photo booth and exhibit in the Eco Experience building at the Minnesota State Fair. The building hosted more than 250,000 visitors during the fair in 2018. Nearly 8,000 photos were taken in the photo booth and over 700 people signed up to Adopt-a-Drain. Fifty percent of the people who took photos shared them on social media.



Searching for dragonflies at Trout Brook Nature Sanctuary. Photo: Caroline Yang

# OUR WORK

## 2018 Education and Outreach (cont.)

### Winter Roads and Turfgrass Maintenance Workshops

CRWD partnered with Fortin Consulting to host Winter Roads Maintenance Workshops to re-certify 63 Saint Paul Public Works snowplow operators. The District also hosted one-hour refresher sessions for all previously certified Saint Paul Public Works employees as part of their annual training day. The workshops highlight the importance of reducing the amount of salt used to keep our streets safe and application techniques to achieve chloride reductions.

CRWD also partnered with Fortin Consulting to present a Turfgrass Maintenance Workshop for 30 Saint Paul Parks and Recreation staff. The workshop featured best practices for water resource protection in turf management, fertilizer and pesticide application, leaf management and erosion/sediment control.



Students learn about the Ojibwe history at Fort Snelling State Park.

© CAROLINE YANG



# OUR WORK

## CRWD Grant Programs

### Stewardship Grants

CRWD values collaboration with individuals and organizations, and views the involvement of all residents as important to improving water resources in the District. Through the District's grant programs, we hope to encourage a strong ethic of water resource stewardship among residents.

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.

Grants are available to residents of the District as well as governmental agencies, businesses, schools and nonprofit organizations that are located and/or conduct work in the District. CRWD also offers free technical assistance for designing rain gardens and shoreline restoration projects.

In 2018, 24 grants totaling \$107,953 were awarded through the Stewardship Grant program for projects throughout CRWD. Projects included rain gardens, permeable

pavement, and boulevard curb-cut gardens. Site evaluations and Clean Water Plans with proposed BMPs were completed for 96 participants and construction plans were developed for 18 future projects. BMPs are activities, practices and structures that reduce the impacts of stormwater runoff. Installations included a series of large boulevard rain gardens with innovative pre-treatment structures at the Rondo Commemorative Plaza and a large underground infiltration basin at the new Joy of the People soccer field. Also, construction of stormwater improvement projects began at the headquarters of the Minnesota Nursery and Landscape Association. This project will include large curb-cut rain gardens, a large outdoor demonstration area that doubles as an infiltration practice, and a state-of-the-art rain water harvesting and reuse system.

### Rondo Commemorative Plaza

The Rondo Commemorative Plaza is a newly constructed community space designed for healing and reconciliation for a community traumatized by the construction of I-94 in the 1960's. The space serves "to capture the memory of the Rondo neighborhood (by) transform(ing) a vacant



Stewardship Grantee cares for her rain garden. Photo: Sara Rubenstein



# OUR WORK

## CRWD Grant Programs (cont.)

plot of land into a focal point for local history. (The Plaza) is intended to be a launching pad for a visitor's broader and deeper connection to the neighborhood's past and present while considering what is in store for the future."

The inclusion of raingardens as a design element of the Commemorative Plaza project clearly illustrates a deep and meaningful commitment to embrace the healing process for the community as well as the ecological facets of land and water to which the neighborhood belongs. By allowing water from city streets a place to soak in and cleanse, the plaza connects the healing process of the community with that of the entire city and beyond. Visitors will be able to experience this connection each time it rains and by doing so, forge a connection between the mission of CRWD and the communities that we serve.

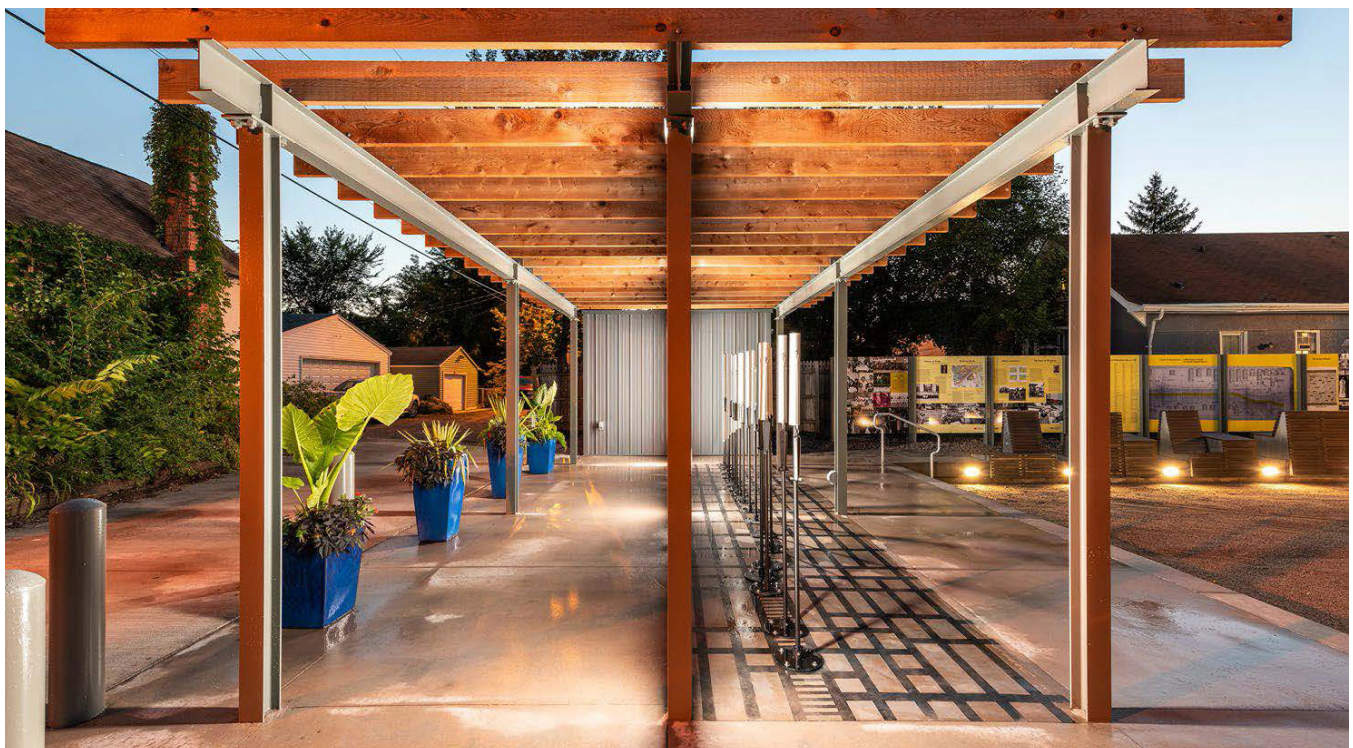
CRWD provided a \$16,000 Stewardship Grant award for the construction of boulevard curb-cut rain gardens. The rain gardens fill the entire boulevard of the plaza with pollinator-friendly perennials and trees. The pre-treatment structures for the gardens are designed to capture large amounts of water from city streets within a much narrower space than typical boulevard rain gardens.

They are patterned after the innovative design work of other major cities such as New York and Boston and as such provide a local example of the continuing evolution of BMPs.

### Joy of the People

CRWD provided a \$13,000 Stewardship Grant award for the construction of an underground infiltration basin beneath the newly constructed Joy of the People soccer field. The infiltration practice utilizes tire derived aggregate (TDA) to provide the structure required for the solid play space while also providing the 40% porosity required for water storage while rain water slowly infiltrates beneath the field. TDA is a locally sourced material produced entirely with shredded automobile tires. There is a great deal of monitoring involved with defining the feasibility of using this material for landscape practices and so far, the verdict is favorable.

Educational signage will show hundreds of park visitors how old tires can be reused to construct a soccer field while also improving water quality,



Rondo Commemorative Plaza



# OUR WORK

## CRWD Grant Programs (cont.)

### Minnesota Nursery and Landscape Association

Considering the extent to which our water quality work relies on innovative design within urban landscapes, the Minnesota Nursery and Landscape Association (MNLA) is a great partner for CRWD. The MNLA project will provide landscape industry professionals a learning environment to experience state-of-the-art green infrastructure practices.

#### 2018 Grants

Twenty-four Stewardship Grant awards: \$107,953

Nine Partner Grant awards: \$75,900



Stewardship Grantee family works in their rain garden. Photo: Sara Rubenstein

# OUR WORK

## CRWD Grant Programs (cont.)

The stormwater management plan for this project was designed by a leading ecological design team and is at the forefront of MNLA's education and outreach plan for programming the site. Industry professionals and community organizations will have access to the site for hosting meetings, educational events and potential clients. MNLA Executive Director, Cassie Larson, has stated "we see this as an excellent ongoing opportunity for partnership and education with local water quality organizations."

CRWD provided watershed analysis and construction plan review of MNLA's Raingarden and Water Reuse project. The project plan proposes two rain gardens with curb-cuts, pre-treatment devices and underdrains. The rain gardens are sized to capture and infiltrate 1.1" rain events from their rooftop, parking lot and the public right-of-way along Lexington Avenue and Garden Street. The site plan also includes a 6,000-gallon cistern with a reuse system designed for irrigation of the demonstration plantings located throughout the proposed grounds. The reuse system will capture 48,877 gallons of water annually for a 42% reduction in potable water use for the irrigation system and a 100% annual stormwater volume reduction from the roof.

CRWD is providing a \$26,000 Stewardship Grant award towards the construction of the innovative water reuse system. Construction of this project will continue through spring of 2019.

## 2018 Special Grants

CRWD did not issue Special Grants in 2018 and used the time to evaluate and reconfigure the program. Special grants were split into Water Quality Planning Grants and Water Quality Capital Improvement Project (CIP) Grants. Planning grants provide financial assistance for feasibility studies and project development. Applications are accepted year-round. CIP grants are designated for project implementation/construction costs and applications are typically accepted in the fall for funding the following year.

Several previous Special Grant projects were completed in 2018. The Union on Grand Condominium project found creative ways to voluntarily capture and infiltrate stormwater runoff with very little available space using underground chambers. Saint Paul Parks and Recreation (SPPR) completed several projects including designs for drainage improvements to Swede Hollow which includes dredging the lower pond, routing groundwater seeps under the trail to the stream, and replacing two stormwater structures to keep more baseflow in the stream channel. The project is anticipated to be completed in early 2019. SPPR also completed a habitat improvement project on land north of Como Lake. The work included invasive species removal, controlled burns, and the addition of native trees, shrubs and seeding. Finally, SPPR conducted a feasibility study for the Jimmy Lee Play area to determine if BMP opportunities existed that could be implemented with other planned site improvements. Unfortunately, site constraints including soil contamination resulted in expensive BMPs being the only option and the feasibility study determined the water quality benefits did not justify the cost.



# OUR WORK

## CRWD Grant Programs (cont.)

### Partner Grants

CRWD Partner Grants range from \$2,000 to \$20,000 and are awarded to organizations that share our mission to reduce polluted runoff and provide clean water education to residents of the District. The District gives priority to projects that help meet goals outlined in CRWD's Education and Outreach Plan.

Project Name	Description	Grant Award
COMPAS	FLOW: Connecting with the Mississippi and Learning to Protect Water.	\$3,860
Friends of the Mississippi River	Youth Environmental Stewards Program and Trout Brook Initiative	\$9,780
Frogtown Green	Splashdown! Water stewardship in Frogtown	\$13,060
Great River Greening	Engaging youth at CRWD project sites	\$8,000
Parkview Center School	Parkview water project	\$6,200
Public Art Saint Paul	Environmental artmaking workshops in Western Sculpture Park	\$9,000
Saint Paul Natural Resources	Connecting underrepresented groups to urban waterways	\$12,000
Urban Boatbuilders	Rain garden maintenance and water quality testing	\$2,000
Urban Roots	Conservation youth internships	\$12,000



Urban Roots plants a rain garden. Photo: Caroline Yang

# OUR WORK

## Water Quality Monitoring

Since 2005, CRWD has monitored stormwater quantity and quality from its 40-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

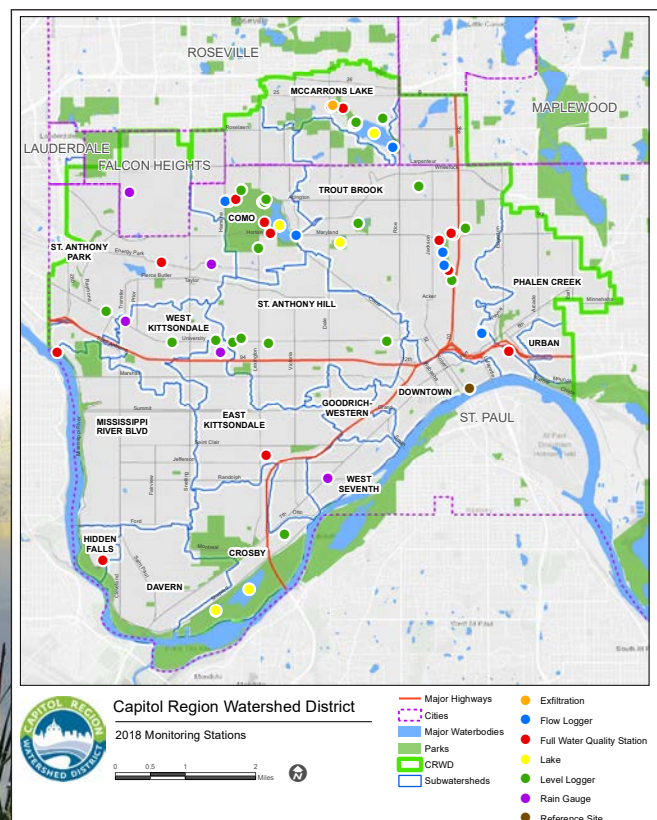
Of the 16 major subwatersheds in CRWD (see map below), seven are currently monitored for water quantity and quality (St. Anthony Park, Hidden Falls, East Kittsondale, Phalen Creek, Trout Brook, McCarrons and Como). Within the monitored subwatersheds, CRWD collected water quality and quantity data at 15 monitoring sites in 2018. At eight of these stations, samples were collected during baseflow and stormflow periods. Samples were only collected during stormflow periods at the remaining ten stations, as these do not contain any baseflow. Water quality samples from all monitoring stations were analyzed for nutrients, sediment, metals and bacteria, which are used to calculate total pollutant loading.

Additionally, CRWD monitored water quality in the five District lakes (Como Lake, Crosby Lake, Little Crosby Lake, Loeb Lake, Lake McCarrons) in partnership with Ramsey County Public Works Department (RCPW), Ramsey County Soil & Water Conservation Division Parks & Recreation Department (RCSWCD) and the Minnesota Department of Natural Resources (DNR). CRWD collected continuous level data on Como Lake, Crosby Lake, Loeb Lake and Lake McCarrons from roughly April through November. Lakes were sampled by RCPW bi-monthly April through October for nutrients, water clarity, chlorophyll-a,

CRWD developed a new website, the Water Data Reporting Tool, to provide customizable reporting and multiple data querying options for all of CRWD's water quality monitoring stations. [waterdata.capitolregionwd.org/applications](http://waterdata.capitolregionwd.org/applications)

phytoplankton and zooplankton. RCSWCD worked with CRWD to conduct macrophyte and biovolume surveys of each lake, which included plant species identification and estimations of relative plant abundance.

CRWD monitored 9 District wetlands in 2018 for plants. Previously, the plant and macroinvertebrate data collected was used to determine an Index of Biological Integrity (IBI) for each wetland, which evaluates and indicates general wetland health on a numerical scale based on other large depressional wetlands in Minnesota. In 2015, CRWD began monitoring only aquatic plants in order to use the Floristic Quality Assessment (FQA) method of monitoring and assessing District wetlands. The FQA was developed by the Minnesota Pollution Control Agency in 2012 and is currently used as the agency's main wetland monitoring and assessment approach.



Staff download a level logger at Crosby Lake.



# OUR WORK

## Water Quality Monitoring (cont.)

### 2018 Climatological Summary

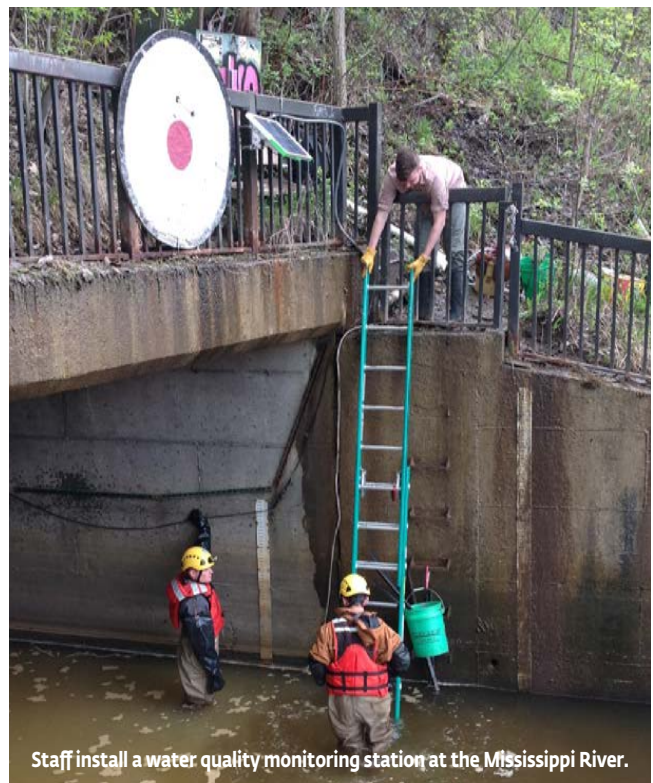
The 2018 calendar year was an average year for rainfall in the Twin Cities, with 29.59 inches of precipitation. This was only 1.02 inches below the 30-year normal. The most intense rainfall period of 2018 occurred from September 17 to September 21. These five consecutive days of rainfall contributed nearly 15% of the yearly total with 4.39 inches, including the highest rainfall amount in one day with 3.33 inches. The spring and summer months exhibited lower-than-normal rainfall, while September and October were both above the monthly historical average. Overall, the winter of 2018 (November 1, 2017 – March 31, 2018) was normal, and there was a constant snowpack depth from early December until late March. December, January, and February all generally stayed below freezing, while March generally stayed above freezing, causing the snowpack to melt off by the end of the month. There were two large winter storms in April, however, that caused there to be additional snowpack for a large part of the month, and also played a role in the later-than-normal ice off observed in 2018, which occurred on April 30th. The calendar year snowfall total of 80.7 inches was 26.2 inches higher than the 30-year normal of 54.5 inches.

### Lakes Results Summary

In 2018, water quality varied in each of CRWD's five lakes. Como Lake failed to meet the state eutrophication standards for total phosphorus, chlorophyll-a or Secchi disk depth, and is therefore considered impaired. Como Lake has never met the eutrophication standard for total phosphorus, rarely met the standard for chlorophyll-a, but generally met the standard for Secchi disk depth for the history of monitoring. Crosby Lake and Little Crosby Lake did not meet the state eutrophication standard for total phosphorus in 2018, and also did not meet the standards for chlorophyll-a. Both lakes have generally not met the total phosphorus standard in recent years, but historically have met the standards for chlorophyll-a and Secchi disk depth. Poorer water quality in 2018 is a result of extensive spring river flooding in the spring and early summer. Loeb Lake and Lake McCarrons met all eutrophication standards in 2018. Loeb Lake has met the eutrophication standards for its entire monitoring history, and Lake McCarrons has met the standards since alum treatment occurred in the lake in 2004.



Staff install a water quality monitoring station near Como Lake.



Staff install a water quality monitoring station at the Mississippi River.



# OUR WORK

## BMP Maintenance and Monitoring

Stormwater Best Management Practices (BMPs) are activities, practices and structures that reduce the impacts of stormwater runoff. CRWD owns and/or operates many stormwater BMP structures throughout the watershed, including 18 constructed in the Como Lake Subwatershed and 14 along the Green Line on University Avenue in Saint Paul.

Regular inspection and maintenance of all 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 2018, most of the maintenance was completed by a private contractor who is experienced with the construction and maintenance of stormwater BMPs.

### Arlington-Pascal Stormwater Improvement Project

The BMPs constructed in the Como Lake Subwatershed were built as part of the Arlington-Pascal Stormwater Improvement Project — in collaboration with the Cities of Falcon Heights, Roseville and Saint Paul and Ramsey County — 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 to provide treatment of stormwater runoff by capturing trash, debris, oils and sediment before they flow into the BMP. These pretreatment units help maintain the



Staff collect water quality samples from the Upper Villa Park underground infiltration facility.



# OUR WORK

## BMP Maintenance and Monitoring (cont.)

performance of BMPs by removing pollutants and infiltrating stormwater runoff.

Since 2007, CRWD has collected 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. Monitoring data was used to calibrate a water quality model that simulated the amount of stormwater runoff and pollutants flowing to and from all 18 of the Arlington-Pascal Project BMPs. Modeling efforts are necessary because Minnesota winters prohibit monitoring data from being collected year-round.

This data, in addition to construction, design, operation and maintenance costs, was used to determine the cost-benefit ratio (the cost per pound of pollutants removed and the cost per unit of volume reduction) of each BMP. This data is presented in CRWD's BMP Performance and Cost-Benefit Analysis: Arlington-Pascal Project 2007-2010, published in spring 2012.

CRWD undertook additional monitoring efforts to determine the amount of gross solids (trash, organic matter, sand and gravel) that accumulated within the Arlington-Pascal Project BMPs as well as the gross solids captured by BMP 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 CRWD's Arlington-Pascal Project: Gross Solids Accumulation Study, published spring 2012.

### Green Line Project

CRWD, the City of Saint Paul, the 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. Four types of green infrastructure practices were constructed from 2010 to 2013 along University Avenue: an integrated tree trench system, rain gardens, stormwater planters and infiltration trenches. These practices incorporate natural landscape features and hydrologic processes to treat stormwater by allowing it to soak into the ground. They also integrate with the character and values of the surrounding community and serve as educational tools that help raise community awareness of stormwater.

CRWD has estimated that annually the entire project will reduce post-construction stormwater volume by over 50% or 134 acre-feet, sediment load by nine 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. In 2014, CRWD developed a long-term monitoring plan of the Green Line BMPs to validate the estimated pollutant reduction projections. The Green Line monitoring plan will be ongoing for up to five years. In 2018, staff collected monitoring data for three rain gardens, four stormwater planters, two tree trenches and three rain gauges within the Green Line Project. Eventually, the data will be compiled and analyzed to determine BMP performance and the cost-benefit of each BMP.



Staff install a gauge to monitor water levels at the Como Park Golf Course pond.



# OUR WORK

## 2018 Watershed Rules and Permitting

### Watershed Rules

Water quality and stormwater management rules (Rules) were adopted by CRWD in September 2006. The Rules require stormwater management permits for projects disturbing more than one acre of land. Most of CRWD is fully developed, making it necessary to utilize stormwater improvement practices as part of redevelopment projects to reduce pollution flowing into CRWD's lakes and wetlands and the Mississippi River. To achieve CRWD's goal of cleaner water resources, the Rules require volume reduction practices that capture 1.1 inches of rainfall over

newly constructed impervious surfaces. This is most often achieved by infiltration of runoff into the soil. The Rules were revised in April 2015 to include the current volume reduction standard along with new filtration and enhanced filtration standards, address stormwater harvesting and reuse, and incorporate the National Oceanic and Atmospheric Administration's Atlas 14 rainfall data. The Joint Technical Advisory Committee met in September of 2018 to review the rules and permitting process. Minor revisions are expected to be adopted by the Board of Managers in 2019.



Minnesota United FC stadium under construction . Photo: Sara Rubenstein



# OUR WORK

## 2018 Watershed Rules and Permitting (cont.)

### Permitting Program

CRWD reviews applications and issues permits to ensure compliance with the standards outlined in the Rules. Regulatory Division staff work with CRWD's consulting engineer to review applications and make recommendations to the Board of Managers. The Board votes to approve or deny permit applications 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 storm drains and water bodies during rainstorms. To ensure 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.

CRWD's Permitting Program processed 24 permit applications in 2018. Approximately 68% of the disturbed acres consisted of impervious surfaces such as roads, sidewalks and buildings. Runoff leaving those surfaces is accounted for and treated by stormwater BMPs that meet the standards specified in CRWD's Watershed Rules.

### CRWD Permits By Year\*

	2014	2015	2016	2017	2018
Applications Received	41	41	33	25	24
Acres Disturbed	125	129	161	67	66
Acres Impervious	77	120	86	25	45
Alternative Compliance Sites	21	20	20	13	7
Standard Compliance Sites	20	21	13	12	17
Linear Projects	9	14	10	3	4
Total Linear Impervious (ac)	36.5	26	29.4	5.6	10.9
Total Linear Treatment (cf)	39,809	41,874	67,256	4894	26313
Infiltration Approved (cf)	96,889	220,755	120,370	21,564	165,733
Filtration Approved (cf)	176,183	118,264	217,756	115,844	7,981
Total Treatment Volume	273,072	339,019	338,126	137,408	173,714
Variances Requested	2	4	5	1	2
Variances Approved	2	4	5	1	2
Incomplete/Withdrawn Applications	2	2	0	2	1

\*See Appendix C for permit data from 2007-2018.

# OUR WORK

## 2018 District Finance Summary

This is a summary of CRWD's financial activities for the fiscal year ending in December 31, 2018. The complete 2018 Annual Financial Report and Audit can be found in Appendix A.

S&P Global Ratings assigned its 'AA' long-term bond rating to CRWD. The District has historically maintained a very strong financial position. The Board established and maintains separate Operations and Capital Improvement Program (CIP) funds. The Operations reserve minimum is set at 50% of the operations budget. The CIP fund cash balance (contingency) minimum is at 100% of the estimated CIP budget or \$1,000,000, whichever is less. And the CIP Reserve Fund is \$1,000,000. The District finished fiscal 2018 with an operating surplus, which management attributes, in part, to the receipt of an unbudgeted grant and conservative budgeting on expenditures. The year-end available fund balance of \$2.2 million was 58% of expenditures, well in excess of the District's 50% fund balance policy requirement.

### Operations

2018 budgeted revenue decreased \$154,197 from a budgeted revenue of \$3,771,480 and actual revenue of \$3,617,283. Expenditures in 2018 were under budget. Budgeted expenditures were \$3,771,480 while actual expenditures were \$3,476,765, a difference of \$294,719. The decrease in expenditures was due to several programs and projects that were under budget or projects not starting until 2018.

### Capital Improvement Program (CIP)

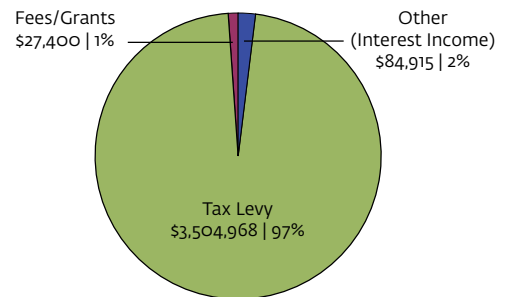
The capital improvement expenditures were under budget by \$2,084,814. \$1,630,694 of this was primarily due to capital projects coming in under budget, including Como Lake BMP, Trout Brook BMP, Mississippi River Subwatershed BMP and Special Projects and Grants. The remainder was primarily due to capital projects coming in under budget and for capital expenditures related to the new District facility.

### Financial Highlights

2018 ended with the District spending approximately 84% of its overall budget. The difference is mainly due to planned projects coming in under budget.

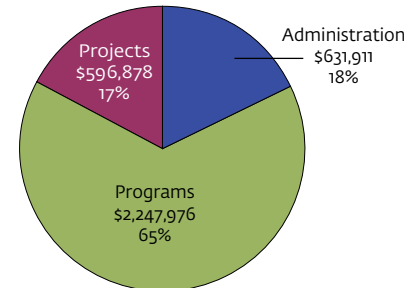
#### 2018 Operations Revenue (actual)

Total \$3,617,283



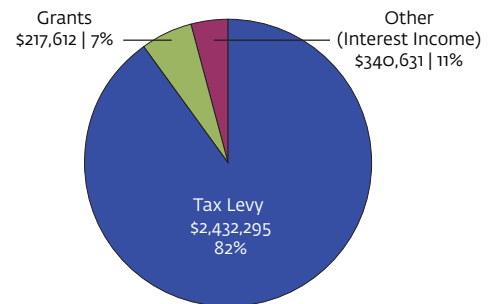
#### 2018 Operations Expenditures (actual)

Total \$3,476,765



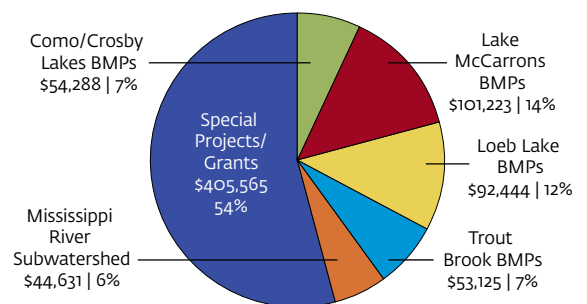
#### 2018 CIP Revenue (actual)

Total \$2,990,538



#### 2018 CIP Expenditures (actual)

Total \$751,276





# OUR PLANS

## 2018 Year In Review

Below is a complete list of 2018 CRWD projects:

Fund Name	Project Name
<b>Administration</b>	General Administration
	595 Aldine Operations
	1736 Thomas Operations
	Administrative Allocation
<b>Groundwater</b>	Groundwater Protection — Well Sealing
<b>Rulemaking/Rule Revisions</b>	Evaluate Rules — Hold TAC Meetings
<b>Permitting</b>	District Permit Program
	Permit Tracking and Database Management
	Construction Inspection
	Closure and Post Construction Inspection
<b>Stewardship Grants</b>	Stewardship Grants
	Partner Grants
	Inspiring Communities Program
	Rain Garden Projects
	TWP — Boulevard Rain Gardens
	MN Greencorps Member
<b>Monitoring and Data Collection</b>	Baseline Monitoring and Data Collection
	Lake Monitoring and Data Collection
	Villa Park Monitoring and Data Collection
	Wetland Bio-monitoring
	Long-term Monitoring Database Development
	Remote Data Access and Set Up
	BMP Monitoring
	Upper Villa Exfiltration Monitoring
	Data Analysis and Reporting Tool (DART)
	Midway Office Warehouse Monitoring
<b>Education and Outreach</b>	General Education and Outreach
	General Communications
	Litter and Leaf Clean-ups
	Municipal Training

# OUR PLANS

## 2018 Year In Review (cont.)

Fund Name	Project Name
<b>Education and Outreach (cont.)</b>	Website
	Master Water Stewards
	Sponsorships and Partnerships
	Events
	Awards Program
	Youth Outreach
	Communications Training
	Adopt a Drain
	TWP Communications
	TWP — Adopt a Drain
	TWP — Leaf and Litter Clean-ups
	Social Media
	595 Education and Outreach
<b>Technical Resources and Information Sharing</b>	Plan Review and Tech Committee
	BMP Database
<b>Future Trends: Research and Positioning</b>	District Research Program
	Public Art Program
	595 Aldine Art
	Climate Change Impacts — Research and Action
<b>Geographic Information System</b>	GIS Program Development
<b>Safety Program</b>	Safety Training
	Safety Program Updates/Audits
	Safety Equipment
<b>Shoreline and Streambank Maintenance</b>	Saint Paul Natural Resources Intern Program
<b>Como Lake Subwatershed</b>	Como Regional Park Stormwater Plan
	Como BMP Maintenance and Inspection
	Curtiss Pond Opti RTC O&M
	TWP — Como Lake Aquatic Project Development
	Como Lake Management Plan



# OUR PLANS

## 2018 Year In Review (cont.)

Fund Name	Project Name
<b>Lake McCarrons Subwatershed</b>	AIS Management
	Lake McCarrons Internal Loading Assessment
	Upper Villa Maintenance
<b>Trout Brook Subwatershed</b>	TBI Inspection and Maintenance
	TBI Easement Verification and Documentation
	TBI Model Update
	NPDES MS4 Stormwater Program
	Illicit Discharge Detection and Elimination Program
<b>Crosby Lake Subwatershed</b>	Highland Ravine BMP Maintenance
<b>Mississippi River Subwatershed</b>	Snelling Midway Redevelopment
	Ford Site Planning
	Green Line BMP Maintenance
<b>Watershed Management Planning</b>	2020 Watershed Management Plan
	Strategic Plan
<b>Como Lake BMPs</b>	TWP — Como BMPs
<b>Lake McCarrons BMPs</b>	TWP — McCarrons BMP — Parkview
<b>Loeb Lake BMPs</b>	Willow Reserve Restoration Project
<b>Trout Brook BMPs</b>	Trout Brook Nature Sanctuary
<b>Mississippi River Subwatershed BMPs</b>	Snelling Midway Redevelopment
	Lauderdale Stormwater Project
<b>Special Projects and Grants</b>	Special Grants
	TWP — Grant Administration
<b>Future Trends: Implementation</b>	New Office Facility
<b>Debt Service</b>	Debt and Loan Service

# OUR PLANS

## 2019 Workplan

Fund Name	Project Name	Priority	Project Description
<b>Administration</b>	General Administration 1410	Critical	General administration of CRWD operations
	595 Aldine Operations	Critical	General operations for 595 Aldine
	1736 Thomas Operations	Critical	General operations for 1736 Thomas
	MAWD	Beneficial	Provide support to MAWD
	Administrative Allocation	Ongoing	Annual cost allocation to projects and programs
<b>Groundwater</b>	Groundwater Protection — Well Sealing	Beneficial	Provide grant reimbursements for well sealing
<b>Rulemaking / Rule Revisions</b>	Evaluate Rules, hold TAC meetings	Critical	Conduct TAC process to update Rules
<b>Permitting</b>	District Permit Program	Critical	Continue Implementing District Permit Program
	Permit Tracking and Database Management	Critical	Track and manage database for Permit Program
	Construction Inspection	Critical	Inspect active permits sites for compliance
	Closure and Post-Construction Inspection	Critical	Inspect completed permit projects for compliance and maintenance
<b>Stewardship Grants</b>	Stewardship Grants	Important	Administer, promote and outreach on Stewardship Grants
	Partner Grants	Important	Provide grants to partners for Education/Outreach programming
	Inspiring Communities Program	Important	Provide design and project funds for City ICP program
	Rain Garden Projects	Important	Assist with boulevard rain gardens as part of City's Street Reconstruction Program
	TWP - Blvd Rain Gardens	Critical	Assist with boulevard rain gardens in Como and McCarrons subwatersheds
	MN Greencorps Member	Important	Support MN Greencorps member
<b>Monitoring and Data Collection</b>	Baseline Monitoring and Data Collection	Critical	Monitor stormwater baseline sites, water level and rain gauge sites
	Lake Monitoring and Data Collection	Critical	Monitor 5 lakes for chemical, biological and qualitative parameters
	Villa Park Monitoring and Data Collection	Critical	Monitor 2 FWQ sites in Villa Park, 2 level loggers and Lake McCarrons flow-only station
	Wetland Bio-monitoring	Important	Monitor wetlands, IBI assessments, water quality and data analysis
	WISKI Database and Website	Critical	Long-term monitoring database for effective data management



# OUR PLANS

## 2019 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
<b>Monitoring, Data Collection (cont.)</b>	Remote Data Access and Set Up	Important	Implement Remote Data Access Program
	BMP Monitoring	Important	Monitor BMP sites — Como 7, Green Line, Upper Villa
	Upper Villa Exfiltration Monitoring	Beneficial	Exfiltration monitoring of an underground infiltration BMP
	Midway Office Warehouse Monitoring	Important	Monitor Midway office warehouse
<b>Education and Outreach</b>	General Education and Outreach	Critical	Provide general District-wide education and outreach
	Leaf and Litter Clean Ups	Critical	Implement a Leaf and Litter Clean Up Program
	Municipal Training	Important	Provide training for municipal staff
	Website	Important	Maintain and provide content for CRWD website
	Master Water Stewards	Important	Implement Master Water Stewards Program
	Sponsorships and Partnerships	Beneficial	Sponsor and support partner organizations
	Events	Beneficial	Community and CRWD-sponsored events and activities
	Awards Program	Important	Support CRWD Recognition Program
	Youth Outreach	Important	Develop and implement outreach programming to District youth
	Communications Training	Important	Provide communications, diversity and media training for staff, board and partners
	Adopt-a-Drain	Beneficial	Promote and implement Adopt-a-Drain Program
	TWP — Communications	Important	Implement communications to support TWP
	TWP — Adopt-a-Drain	Critical	Promote and implement Adopt-a-Drain Program in Como and McCarrons subwatersheds
	TWP — Leaf and Litter Clean Ups	Critical	Leaf and Litter Clean Ups in Como and McCarrons subwatersheds for TWP
	Social Media	Important	Maintain and update District social media accounts
	595 Aldine Education and Outreach	Important	Provide for education and outreach at 595 Aldine
<b>Technical Resources and Information Sharing</b>	Plan Review and Tech Committee	Critical	Review plans and serve on committees as appropriate
	BMP Database	Critical	Update and maintain BMP database
<b>Future Trends: Research and Positioning</b>	District Research Program	Important	Develop and implement comprehensive research program
	Public Art Program	Important	Work with watershed artist on District public art projects
	595 Aldine Art	Beneficial	Create and install art in CRWD's new office

# OUR PLANS

## 2019 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
<b>Future Trends: Research &amp; Positioning (cont.)</b>	Diversity and Inclusion	Important	Implement CRWD Diversity and Inclusion Plan
	Climate Change Impacts — Research and Action	Important	Research climate change impacts on design standards (Atlas-14)
<b>Geographic Information Systems (GIS)</b>	GIS Program Development	Important	Manage GIS needs for CRWD
<b>Safety Program</b>	Safety Training	Critical	Provide safety training for staff
	Safety Program Updates	Critical	Update safety program, protocols, procedures and equipment
	Safety Equipment	Critical	Purchase, maintain and repair safety equipment
<b>Shoreline and Streambank Maintenance</b>	Saint Paul Natural Resources Intern Program	Important	Sponsor intern with Saint Paul for BMP maintenance or other activities
<b>Como Lake Subwatershed</b>	Como BMP Maintenance	Critical	Inspect and maintain Como subwatershed BMPs
	Curtiss Pond Opti RTC O&M	Important	Operate, maintain and inspect Opti RTC system
	TWP — Como Lake Project Development	Critical	Develop projects for the Como Lake TWP
	Como Lake Management Plan	Important	Develop Como Lake Management Plan
<b>Lake McCarrons Subwatershed</b>	AIS Management	Beneficial	Manage aquatic invasive plants
	Lake McCarrons Management Plan	Important	Develop a Lake McCarrons Management Plan
	Upper Villa Maintenance	Critical	Upper Villa Maintenance
<b>Trout Brook Subwatershed</b>	TBI Inspection and Maintenance	Critical	Manage, operate, inspect, maintain and repair TBI
	TBI Easement Verification and Documentation	Critical	Complete TBI easement verification, acquisition and documentation work
	TBI Model Update	Critical	Update TBI model with Atlas 14 Data
	NPDES MS4 Stormwater Program	Critical	Implement MS4 SWPP
	Illicit Discharge Detection and Elimination	Critical	Implement IDDE program



# OUR PLANS

## 2019 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
<b>Crosby Lake Subwatershed</b>	Highland Ravine BMP Maintenance	Critical	Maintain gully stabilization BMPs
<b>Mississippi River Subwatershed</b>	Green Infrastructure for Innovation Districts	Critical	Planning for green infrastructure in innovation districts
	Snelling Midway Redevelopment	Critical	Develop maintenance agreement and conduct maintenance of BMPs
	Ford Site Planning	Important	Provide design and planning assistance for former Ford site
	Green Line BMP Maintenance	Critical	Inspect and maintain the Green Line BMPs
<b>Watershed Management</b>	2020 Watershed Management Plan	Critical	Prepare and adopt 2020 WMP
<b>Special Projects and Grants</b>	Special Grants — Project Development	Important	Support feasibility studies by special grant partners
<b>Como Lake BMPs</b>	Como Lake In-Lake Management	Critical	Plan and implement in-lake projects
	TWP — Como BMPs	Critical	Design and construct stormwater BMPs in Como subwatershed
<b>Lake McCarrons BMPs</b>	TWP — McCarrons BMP — Parkview	Critical	Design Parkview Elementary BMP
<b>Loeb Lake BMPs</b>	Loeb Lake Shoreline Restoration	Beneficial	Restore shoreline of Loeb Lake
	Willow Reserve Restoration Project	Critical	Conduct restoration work at Willow Reserve
<b>Trout Brook BMPs</b>	TBI Repair — Station 28+65 - 50+72	Critical	Engineering design for next segment of TBI repairs
<b>Wetland, Stream and Ecosystem Restoration</b>	Land Conservation Funding	Important	Provide resources for land protection initiatives
<b>Mississippi River Subwatersheds BMPs</b>	Snelling Midway Redevelopment	Important	Construct Snelling Midway SSGI practices
	Midway Peace Park	Beneficial	Support green infrastructure at Midway Peace Park
	Lauderdale Stormwater Improvement Project	Important	Complete design and conduct bidding for Seminary Pond improvements

# OUR PLANS

## 2019 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
<b>Special Projects and Grants</b>	Special Grants	Critical	Implement Special Grant Program
	TWP — Grant Administration	Critical	Administer TWP Grant Program
	CRWD Opportunity Fund	Important	Support CRWD Watershed Management Plan projects
<b>Future Trends: Implementation</b>	New Office Facility	Critical	Complete buildout of 595 Aldine office
<b>Debt Service</b>	Debt and Loan Service	Critical	Annual payments for bonds and loans (debt service)





# APPENDIX A

## Financial Statements and Audit

# **ANNUAL FINANCIAL REPORT**

**Year Ended December 31, 2018**

**Capitol Region Watershed District**

**Ramsey County, Minnesota**



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**CAPITOL REGION WATERSHED DISTRICT**  
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## **INTRODUCTORY SECTION**

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**CAPITOL REGION WATERSHED DISTRICT**  
**ORGANIZATION**  
December 31, 2018

---

**Board of Managers**

Joseph Collins - President  
Mary Texer - Vice-President  
Seitu Jones - Secretary  
Shirley Reider - Treasurer  
Rick Sanders

**Watershed District Staff**

Mark Doneux, Administrator  
Belinda Gardner, Administrative Assistant  
Michelle Sylvander, Office Manager  
Jessica Bromelkamp, Communications and Outreach Specialist  
Lindsay Schwantes, Communication Outreach Coordinator  
Forrest Kelley, Regulatory and Conservation Program Manager  
Anna Eleria, Planning, Water Resource Project Manager  
Robert Fossum, Water Resource Project Manager  
Britta (Suppes) Belden, Monitoring Coordinator  
Nate Zwonitzer, Urban BMP Specialist  
Andrew Novak, Urban BMP Specialist  
Joe Sellner, Water Resource Technician  
Sarah Wein, Water Resource Technician  
Elizabeth Hosch, BMP Inspector

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## **FINANCIAL SECTION**



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JULIE BLAHA  
STATE AUDITOR

## STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

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

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

### INDEPENDENT AUDITOR'S REPORT

Board of Managers  
Capitol Region Watershed District  
Saint Paul, Minnesota

#### 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, 2018, 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 from 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, 2018, and the respective changes in financial position thereof and for the year then ended in accordance with accounting principles generally accepted in the United States of America.

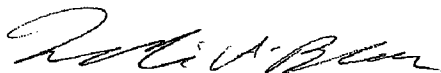
***Other Matters***

***Required Supplementary Information***


Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***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 as 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



JULIE BLAHA  
STATE AUDITOR



GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

May 8, 2019





## Capitol Region Watershed District

595 Aldine Street • Saint Paul, MN 55104

T: 651-644-8888 • F: 651-644-8894 • [capitolregionwd.org](http://capitolregionwd.org)

### 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, 2018.

#### **Financial Highlights**

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$13,326,113 (net position), of which \$10,075,427 represents the net investment in capital assets.

The District's total net position increased by \$1,887,948.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$7,266,704 compared to \$3,296,701 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 deferred outflows of resources, and liabilities and deferred inflows of resources 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.

(unaudited)

## Management's Discussion and Analysis

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).

**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 changes 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.

(unaudited)

## Management's Discussion and Analysis

Following is a comparison of the District's net position between 2018 and 2017.

	2018	2017
Current and other assets	\$10,065,083	\$5,305,979
Capital assets	20,692,285	12,890,842
Total assets	<u>\$30,757,368</u>	<u>\$18,196,821</u>
Deferred outflows of resources related to pensions	<u>\$179,688</u>	<u>\$273,766</u>
Payables	\$2,878,090	\$1,981,877
Other long term liabilities	14,534,358	4,892,822
Total liabilities	<u>\$17,412,448</u>	<u>\$6,874,699</u>
Deferred inflows of resources related to pensions	<u>\$198,495</u>	<u>\$157,723</u>
Net position:		
Net investments in capital assets	\$10,075,427	\$11,950,784
Restricted	739,634	94,698
Unrestricted	2,511,052	(607,317)
Total net position	<u>\$13,326,113</u>	<u>\$11,438,165</u>

(unaudited)



## Management's Discussion and Analysis

### **Governmental Activities**

Governmental activities resulted in an increase of the District's net position by \$1,887,948. The details of the increase are as follows:

	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$241,400	\$41,700
Operating grants and contributions	32,809	150,414
Capital grants and contributions	217,612	-
General revenues:		
Property taxes	6,496,766	4,861,596
Unrestricted investment earnings	184,671	29,089
Miscellaneous other	29,159	72,940
Total revenues	<u>7,202,417</u>	<u>5,155,739</u>
Expenses:		
General government	3,566,614	3,184,853
Conservation of natural resources	1,405,692	2,239,004
Interest on long term debt	342,163	101,178
Total expenses	<u>5,314,469</u>	<u>5,525,035</u>
Change in net position	1,887,948	(369,296)
Net position - January 1	<u>11,438,165</u>	<u>11,807,461</u>
Net position - December 31	<u>\$13,326,113</u>	<u>\$11,438,165</u>

The increase in net position is mainly due to an increase in budgeted capital improvement property taxes used for construction of the District's new building and also due to four capital improvement projects coming in under budget.

### **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 \$140,518 in 2018, which was due to revenues exceeding expenditures. The District budgeted expenditures of \$3,771,480, however actual expenditures were \$268,110 less than expected.

(unaudited)

## Management's Discussion and Analysis

The Capital Improvement fund balance increased from prior year by \$3,768,050 in 2018, due to bond proceeds of \$9,690,000 used to fund the purchase of the new District facility and renovation work, which commenced in 2016. Total capital outlay related to the new District facility in 2018 was \$8,295,616.

The Debt Service fund balance increased from prior year by \$61,435 in 2018 which was due to revenues exceeding expenditures.

### **Budgetary Highlights**

#### **Operations**

2018 actual revenue increased \$47,408 from a budgeted revenue of \$3,596,480 to an actual revenue of \$3,643,888. Expenditures in 2018 were under budget. Budgeted expenditures were \$3,771,480 while actual expenditures were \$3,503,370, a difference of \$268,110. The decrease in expenditures was due to several programs and projects that were under budget or projects not starting until 2018.

#### **Capital Improvement**

The capital improvement expenditures were under budget by \$1,924,243. \$1,630,694 of this was primarily due to four main projects coming in under budget, including Como Lake BMP, Trout Brook BMP, Mississippi River Subwatershed BMP and Special Projects and Grants. The remainder was primarily due to capital outlay coming in under budget for capital expenditures related to the new District facility.

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

**Capital assets.** The District's capital assets for its governmental activities as of December 31, 2018, amounts to \$20,692,285. This investment in capital assets is in construction in progress, equipment and infrastructure. Accumulated depreciation was \$4,145,720 with current depreciation charges of \$494,173.

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

	December 31	
	2018	2017
Equipment	\$59,870	\$72,462
Infrastructure	10,182,974	10,664,555
Construction in progress	10,449,441	2,153,825
Total	<u>\$20,692,285</u>	<u>\$12,890,842</u>

(unaudited)

## Management's Discussion and Analysis

**Debt administration.** Capitol Region Watershed District records the following long-term obligations:

	Compensated Absences	Loans Payable	Bonds Payable	Net Pension Liability
December 31, 2018	\$83,645	\$225,086	\$13,415,679	\$809,948
December 31, 2017	64,709	267,603	3,641,224	919,286
Increase (decrease)	<u>\$18,936</u>	<u>(\$42,517)</u>	<u>\$9,774,455</u>	<u>(\$109,338)</u>

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. In 2018, the District issued \$9,690,000 in General Obligation Bonds to finance the acquisition, remediation, site improvements, and construction of the District's new facility.

### **2018 Financial Highlights**

S&P Global Ratings assigned its 'AA' long-term bond rating to CRWD. The District has historically maintained a very strong financial position. The Board established and maintains separate Operations and Capital Improvement Program (CIP) funds. The Operations reserve minimum is set at 50% of the operations budget. The CIP fund cash balance (contingency) minimum is at 100% of the estimated CIP budget or \$1,000,000, whichever is less. And the CIP Reserve Fund is \$1,000,000. The District finished fiscal 2018 with an operating surplus, which management attributes, in part, to the receipt of an unbudgeted grant and conservative budgeting on expenditures. The year-end available fund balance of \$2.2 million was 58% of expenditures, well in excess of the District's 50% fund balance policy requirement.

2018 ended with the District spending approximately 85% of its overall budget. The difference is mainly due to planned projects coming in under budget.

**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, 595 Aldine Street, St. Paul, MN, 55104, 651-644-8888.



## **BASIC FINANCIAL STATEMENTS**

**CAPITOL REGION WATERSHED DISTRICT**  
**STATEMENT OF NET POSITION**  
December 31, 2018

**Statement 1**

	<u>Governmental Activities</u>
Assets:	
Cash and short term investments	\$9,885,084
Accounts receivable	2,241
Property taxes receivable:	
Due from county	94,597
Delinquent	83,161
Capital assets - net:	
Non-depreciable	10,449,441
Depreciable	10,242,844
Total assets	<u>30,757,368</u>
Deferred outflows of resources related to pensions	179,688
Total assets and deferred outflows of resources	<u><u>30,937,056</u></u>
Liabilities:	
Accounts payable	\$1,033,055
Contracts payable - retainage	357,529
Deposits payable	614,478
Accrued interest payable	162,872
Unearned revenue	710,156
Loans payable:	
Due within one year	43,372
Due in more than one year	181,714
Bonds payable:	
Due within one year	605,356
Due in more than one year	12,810,323
Compensated absences payable:	
Due within one year	83,645
Net pension liability	
Due in more than one year	809,948
Total liabilities	<u>17,412,448</u>
Deferred inflows of resources related to pensions	198,495
Net position:	
Net investments in capital assets	10,075,427
Restricted for debt services	739,634
Unrestricted	2,511,052
Total net position	<u>13,326,113</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$30,937,056</u></u>

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

**CAPITOL REGION WATERSHED DISTRICT**  
**STATEMENT OF ACTIVITIES**  
For The Year Ended December 31, 2018

**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>
Governmental activities:				
General government	\$3,566,614	\$27,400	\$32,809	\$ -
Conservation of natural resources	1,405,692	214,000	-	217,612
Interest on long term debt	342,163	-	-	-
Total governmental activities	<u>\$5,314,469</u>	<u>\$241,400</u>	<u>\$32,809</u>	<u>\$217,612</u>
General revenues:				
Property taxes				6,496,766
Unrestricted investment earnings				184,671
Miscellaneous other				29,159
Total general revenues				<u>6,710,596</u>
Change in net position				1,887,948
Net position - January 1				<u>11,438,165</u>
Net position - December 31				<u>\$13,326,113</u>

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



**CAPITOL REGION WATERSHED DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2018**

**Statement 3**

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
<b>Assets</b>				
Cash and short-term investments	\$3,134,854	\$6,602,064	\$148,166	\$9,885,084
Accounts Receivable	2,241	-	-	2,241
Taxes Receivable				
Due from county	51,141	35,489	7,967	94,597
Delinquent	44,954	31,204	7,003	83,161
<b>Total assets</b>	<b>3,233,190</b>	<b>6,668,757</b>	<b>163,136</b>	<b>10,065,083</b>
<b>Liabilities:</b>				
Accounts payable	361,973	671,082	-	1,033,055
Contracts payable - retainage	-	357,529	-	357,529
Deposits payable	614,478	-	-	614,478
Unearned revenue	-	710,156	-	710,156
<b>Total liabilities</b>	<b>976,451</b>	<b>1,738,767</b>	<b>-</b>	<b>2,715,218</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	44,954	31,204	7,003	83,161
<b>Fund balance:</b>				
Restricted	-	583,501	156,133	739,634
Assigned	-	4,315,285	-	4,315,285
Unassigned	2,211,785	-	-	2,211,785
<b>Total fund balance</b>	<b>2,211,785</b>	<b>4,898,786</b>	<b>156,133</b>	<b>7,266,704</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$3,233,190</b>	<b>\$6,668,757</b>	<b>\$163,136</b>	<b>\$10,065,083</b>
<b>Fund balance reported above</b>				<b>\$7,266,704</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>				
Capital assets net of related depreciation used in governmental activities are not financial resources, and, therefore, are not reported in the funds.				20,692,285
Deferred outflows of resources related to pensions - See Note 8.D.				179,688
Deferred inflows of resources related to pensions - See Note 8.D.				(198,495)
Long-term liabilities, including compensated absences, net pension liability, 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.				(14,697,230)
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.				83,161
<b>Net position of governmental activities</b>				<b>\$13,326,113</b>

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

**CAPITOL REGION WATERSHED DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2018

**Statement 4**

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
<b>Revenues:</b>				
General property taxes	\$3,504,968	\$2,432,295	\$546,026	\$6,483,289
Intergovernmental	26,605	431,612	-	458,217
Interest income	55,756	126,631	2,284	184,671
Permit fees	27,400	-	-	27,400
Miscellaneous	29,159	-	-	29,159
Total revenues	<u>3,643,888</u>	<u>2,990,538</u>	<u>548,310</u>	<u>7,182,736</u>
<b>Expenditures:</b>				
Current:				
General government:				
Other services and charges	709,430	-	-	709,430
Salaries & benefits	1,428,797	-	-	1,428,797
Supplies	104,842	-	-	104,842
Noncapitalized equipment	6,500	-	-	6,500
Legal	33,580	-	-	33,580
Engineering	392,557	-	-	392,557
Projects and studies	827,664	-	-	827,664
Conservation of natural resources	-	751,276	-	751,276
Capital outlay	-	8,295,616	-	8,295,616
Debt services:				
Principal	-	-	247,517	247,517
Interest	-	-	239,358	239,358
Issuance costs	-	172,835	-	172,835
Total expenditures	<u>3,503,370</u>	<u>9,219,727</u>	<u>486,875</u>	<u>13,209,972</u>
Revenues over (under) expenditures	140,518	(6,229,189)	61,435	(6,027,236)
<b>Other financing sources (uses):</b>				
Bond issuance	-	9,690,000	-	9,690,000
Bond premium	-	307,239	-	307,239
Total other financing sources (uses)	<u>-</u>	<u>9,997,239</u>	<u>-</u>	<u>9,997,239</u>
Net change in fund balance	140,518	3,768,050	61,435	3,970,003
Fund balance - January 1	<u>2,071,267</u>	<u>1,130,736</u>	<u>94,698</u>	<u>3,296,701</u>
Fund balance - December 31	<u><u>\$2,211,785</u></u>	<u><u>\$4,898,786</u></u>	<u><u>\$156,133</u></u>	<u><u>\$7,266,704</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, 2018

**Statement 5**

	<u>2018</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)	\$3,970,003
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:	
Capital outlay	8,295,616
Depreciation expense	(494,173)
Accrued interest payable:	
At December 31, 2018	(162,872)
At December 31, 2017	42,283
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:	
Bond proceeds	(9,690,000)
Premiums on debt issued	(307,239)
Principal payment	247,517
Amortization of premium	17,784
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, 2018	83,161
At December 31, 2017	(69,684)
Net adjustment in revenues and expenses arising from recording the net pension liability	(25,512)
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, 2018	(83,645)
At December 31, 2017	64,709
Change in net position of governmental activities (Statement 2)	<u><u>\$1,887,948</u></u>

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

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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**Note 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Capitol Region Watershed District conform to accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

**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 who 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 District. 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 or activity. *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 activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or 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 *full 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 full accrual accounting. However, debt service expenditures are recorded only when payment is due. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

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 accounted for in the Capital Improvements Fund and Debt Service Fund.

Capital Improvement Fund is established to account for expenditures related to the preparation and implementation of the watershed management plan and for 2018 the acquisition, remediation, site improvements and construction of the District's new facility. 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.

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.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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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 Improvement Fund. Budgeted expenditure appropriations lapse at year end.

**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**

The District invests in an external investment pool, the Minnesota Municipal Money Market (4M) Fund, through the League of Minnesota Cities. The investment is measured at the net asset value per share provided by the pool. Investment income is accrued at the statement of financial position date.

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

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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**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 – unavailable revenue 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. Bonds payable are reported net of the applicable bond premium or discount.

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

**J. NET POSITION CLASSIFICATIONS**

Net position in the government-wide financial statements is classified in the following categories:

**Net investment in capital assets**

The amount of net position representing capital assets net of accumulated depreciation and reduced by outstanding debt attributed to the acquisition, construction, or improvement of the assets.

**Restricted net position**

The amount of net position for which external restrictions have been imposed by creditors, grantors, contributors, or laws or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position**

The amount of net position that does not meet the definition of restricted or net investment in capital assets.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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**K. FUND BALANCE CLASSIFICATIONS**

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

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

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

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

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

*Unassigned* - is the residual classification for the 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.

**L. CAPITAL ASSETS**

Capital assets, which include construction in progress, 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 District 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. Donated capital assets are recorded at acquisition value at the date of donation.

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.

Equipment and infrastructure of the District is depreciated using the straight-line method over the following estimated useful lives:

Equipment	8 years
Rain gardens	20 years
Trenches	20 years
Other Infrastructure	30 years

The District implemented GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* effective January 1, 2010. GASB Statement No. 51 required the District to capitalize and amortize



**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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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, 2018.

**M. 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.

**N. PREPAID ITEMS**

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

**O. REVENUES AND EXPENDITURES**

REVENUES

In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, revenues for nonexchange transfers are recognized based on the principal characteristics of the revenue. Exchange transactions are recognized as revenue when the exchange occurs. The modified accrual basis of accounting is used by the Operations, 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.

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.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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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 Improvement Funds includes only amounts represented by current liabilities.

**P. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position reports 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 District has one item that qualifies for reporting in this category. It is the pension-related deferred outflows reported in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position reports 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) or reduction of expense until that time. The District has pension related deferred inflows of resources reported in the government-wide Statement of Net Position. The District has a second 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 property taxes.

**Q. UNEARNED REVENUE**

Governmental funds and government-wide financial statements report unearned revenue in connection with resources that have been received but not yet earned.

**R. 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.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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**S. DEFINED BENEFIT PENSION PLANS**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA, except that PERA's fiscal year is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

**T. 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, net pension liability, 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”. The details of this (\$14,697,230) difference are as follows:

Bonds payable	(\$13,415,679)
Loans payable	(225,086)
Compensated absences payable	(83,645)
Net pension liability	(809,948)
Accrued interest payable	<u>(162,872)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u><u>(\$14,697,230)</u></u>

CAPITOL REGION WATERSHED DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

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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 \$13,477 difference are as follows:

Unavailable revenue:	
At December 31, 2017	(\$69,684)
At December 31, 2018	<u>83,161</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$13,477</u>

Another element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense”. The details of this \$8,789,789 difference are as follows:

Capital outlay	\$8,295,616
Depreciation expense	<u>494,173</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$8,789,789</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 (\$18,936) difference are as follows:

Compensated absences payable:	
At December 31, 2017	\$64,709
At December 31, 2018	<u>(83,645)</u>
Net adjustments to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>(\$18,936)</u>



**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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**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 Federal Reserve Bank or in an account in the trust department of a commercial bank or a financial institution other than that furnishing the collateral. Authorized collateral includes the following:

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

The District has no deposits at December 31, 2018.

**B.   INVESTMENTS**

Minnesota Statutes authorize the District to invest in the following:

- a)   Direct obligations or obligations guaranteed by the United States or its agencies, its instrumentalities or organizations created by an act of congress, excluding mortgage-backed securities defined as high risk.
- b)   Shares of investment companies registered under the Federal Investment Company Act of 1940 that meet certain rating requirements.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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- c) Obligations of state or local government:
    - 1) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service;
    - 2) any security which is a revenue obligation of any state or local government which is rated "AA" or better by a national bond rating service; and
    - 3) a general obligation of the Minnesota Housing Finance Agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency.
  - d) Bankers acceptances of United States banks.
  - e) Commercial paper issued by United States corporations or their Canadian subsidiaries, of the highest quality, by two rating agencies and maturing in 270 days or less.
  - f) Repurchase or reverse repurchase agreements with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; certain securities broker-dealers; or, a bank qualified as a depository.
  - g) General obligation temporary bonds of the same governmental entity issued under section 429.091, subdivision 7; 469.178, subdivision 5; or 475.61, subdivision 6.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Pooled investments are not required to be categorized.

As of December 31, 2018, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Pooled with 4M fund	NA	\$ 9,885,084

The District's external investment pool is with the 4M fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. The 4M fund is an unrated pool and the fair value of the position in the pool is the same as the value of pool shares. The pool is managed to maintain a portfolio weighted average maturity of no greater than 60 days and seeks to maintain a constant net asset value (NAV) per share of \$1. The pool measures their investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Fund has no redemption requirements. The 4M Plus Fund requires funds to be deposited for a minimum for 14 calendar days. Withdrawal prior to the 14-day restriction period are subject to a penalty equal to 7 days interest on the amount withdrawn.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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**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.

**Custodial Credit Risk.** For investments in securities, custodial credit risk is the risk that in the event of a failure of the counterparty, the District will not be able to recover the value of its investment securities that are in the possession of an outside party. As of December 31, 2018, all of the District's investments were pooled with the 4M fund.

**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 an 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, 2018

**Note 4 UNAVAILABLE REVENUES**

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of unavailable revenue reported in the governmental funds were as follows:

	Property Taxes
Operations	\$ 44,954
Capital Improvement	31,204
Debt Service	7,003
Total unavailable revenue	<u>\$ 83,161</u>

**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated				
Construction in progress	<u>\$2,153,825</u>	<u>\$8,295,616</u>	<u>\$ -</u>	<u>\$10,449,441</u>
Capital assets depreciated				
Equipment	100,734	-	-	100,734
Infrastructure	<u>14,287,830</u>	<u>-</u>	<u>-</u>	<u>14,287,830</u>
Total capital assets being depreciated	14,388,564	-	-	14,388,564
Less accumulated depreciation for:				
Equipment	28,272	12,592	-	40,864
Infrastructure	<u>3,623,275</u>	<u>481,581</u>	<u>-</u>	<u>4,104,856</u>
Total accumulated depreciation	3,651,547	494,173	-	4,145,720
Total capital assets depreciated, net	<u>10,737,017</u>	<u>(494,173)</u>	<u>-</u>	<u>10,242,844</u>
Total capital assets, net	<u>\$12,890,842</u>	<u>\$7,801,443</u>	<u>\$ -</u>	<u>\$20,692,285</u>



**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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

Governmental activities:	
General government	\$12,592
Conservation of natural resources	481,581
Total	<u>\$494,173</u>

**Note 6 LONG-TERM DEBT**

In 2007, the District issued 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. In 2018, the District issued 2018A General Obligation Bonds to finance the acquisition, remediation, site improvements and construction of the District's new facility.

**GOVERNMENTAL ACTIVITIES**

As of December 31, 2018, the governmental long-term bonded debt and loans payable of the District consisted of the following:

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/18
Tax Supported Bonds:					
\$1,555,000 Series 2007A	3.75-4.75%	1/4/2007	2/1/2027	\$1,555,000	\$860,000
\$3,000,000 Series 2013A	2.00-3.00%	4/17/2013	2/1/2034	3,000,000	2,500,000
\$9,690,000 Series 2018A	3.00%	2/15/2018	2/1/2038	9,690,000	9,690,000
Unamortized premium				383,463	365,679
Total bonded indebtedness - governmental activities				<u>14,628,463</u>	<u>13,415,679</u>
Loans payable:					
MPCA Loan Payable	2.00%	12/15/2013	12/15/2023	430,000	225,086
Total District indebtedness - governmental activities				<u>\$15,058,463</u>	<u>\$13,640,765</u>

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

As of December 31, 2018, annual debt service requirements to maturity are as follows:

	Revenue (Tax Supported) Bonds						Loans payable	
	Series 2007A		Series 2013A		Series 2018A		MPCA	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$80,000	\$34,306	\$135,000	\$58,087	\$370,000	\$289,550	\$43,372	\$4,286
2020	85,000	30,953	135,000	55,387	370,000	278,450	44,243	3,414
2021	85,000	27,447	140,000	52,638	380,000	267,200	45,132	2,525
2022	90,000	23,838	140,000	49,838	390,000	255,650	46,039	1,617
2023	95,000	20,022	145,000	46,988	405,000	243,725	46,300	692
2024-2028	425,000	36,869	765,000	187,077	2,210,000	1,015,850	-	-
2029-2033	-	-	855,000	88,831	2,575,000	646,125	-	-
2034-2038	-	-	185,000	2,775	2,990,000	229,500	-	-
Totals	<u>\$860,000</u>	<u>\$173,435</u>	<u>\$2,500,000</u>	<u>\$541,621</u>	<u>\$9,690,000</u>	<u>\$3,226,050</u>	<u>\$225,086</u>	<u>\$12,534</u>

Governmental Activities	Beginning Balance	Additions	Reductions	Amortized Premiums	Ending Balance	Due Within One Year
Bonds payable:						
2007A general obligation bonds	\$935,000	\$ -	(\$75,000)	\$ -	\$860,000	\$80,000
2013A general obligation bonds	2,630,000	-	(130,000)	-	2,500,000	135,000
2018A general obligation bonds	-	9,690,000	-	-	9,690,000	370,000
Total bonds payable	3,565,000	9,690,000	(205,000)	-	13,050,000	585,000
Premium on bonds	76,224	307,239	-	(17,784)	365,679	20,356
Total bonded indebtedness	3,641,224	9,997,239	(205,000)	(17,784)	13,415,679	605,356
Loans payable:						
MPCA loan payable	267,603	-	(42,517)	-	225,086	43,372
Total long-term debt	<u>\$3,908,827</u>	<u>\$9,997,239</u>	<u>(\$247,517)</u>	<u>(\$17,784)</u>	<u>\$13,640,765</u>	<u>\$648,728</u>

The 2007A and 2013A bonded debt and the loans payable are paid from the Debt Service Fund.  
The 2018A bonded debt are paid from the Capital Improvement Fund.

**Note 7 OPERATING LEASE**

The District leased 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, renewed through December 31, 2018. The lease was not renewed after December 31, 2018. Lease expenditures including the District's share of operating costs for the year ended December 31, 2018 amounted to \$103,755.

The District also leases a copier from an unrelated third party. The lease is classified as an operating lease. The term of the old lease is November 1, 2013 through October 31, 2018. The term of the new lease is May 1, 2018 through April 30, 2023. Lease expenditures for the year ended December 31, 2018 amounted to \$6,500.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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Total annual minimum future lease payments under the operating lease for the copier is as follows:

	Copier
2019	\$5,069
2020	5,069
2021	5,069
2022	5,069
2023	1,690
Total	<u>\$21,966</u>

**Note 8**    **DEFINED BENEFIT PENSION PLANS**

**A. PLAN DESCRIPTION**

All full-time and certain part-time employees of the District are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Plan (the General Employees Plan) which is a cost-sharing, multiple-employer retirement plan. The plan is established and administered in accordance with Minn. Stat. chs. 353 and 356. PERA's defined benefit pension plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code.

The General Employees Plan (accounted for in the General Employees Fund) has multiple benefit structures with members belonging to the Coordinated Plan, the Basic Plan, or the Minneapolis Employees Retirement Fund. Coordinated Plan members are covered by Social Security and Basic Plan and Minneapolis Employees Retirement Fund members are not. The Basic Plan was closed to new members in 1967. The Minneapolis Employees Retirement Fund was closed to new members during 1978 and merged into the General Employees Plan in 2015. All new members must participate in the Coordinated Plan, for which benefits vest after five years of credited service. No District employees belong to either the Basic Plan or the Minneapolis Employees Retirement Fund.

**B. BENEFITS PROVIDED**

PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefit provisions are established by state statute and can be modified only by the state legislature. Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Benefit recipients receive a future annual 1.00 percent for the post-retirement benefit increase. If the funding ratio reaches 90 percent for two consecutive years, the benefit increase will be 2.50 percent. If, after reverting to a 2.50 percent benefit increase, the funding ratio declines to less than 80 percent for one year or less than 85 percent for two consecutive years, the benefit increase will decrease to 1.00 percent.

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

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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Benefits are based on a member's highest average salary for any 60 consecutive months of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Coordinated Plan member is 1.20 percent of average salary for each of the first 10 years of service and 1.70 percent of average salary for each remaining year. Under Method 2, the annuity accrual rate is 1.70 percent for Coordinated Plan members for each year of service. Only Method 2 is used for members hired after June 30, 1989.

For General Employees Plan members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90, and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66. Disability benefits are available for vested members and are based on years of service and average high-five salary.

**C. CONTRIBUTIONS**

Pension benefits are funded from member and employer contributions and income from the investment of fund assets. Rates for employer and employee contributions are set by Minn. Stat. ch. 353. These statutes are established and amended by the state legislature. General Employees Plan members were required to contribute 6.50 percent of their annual covered salary in 2018.

In 2018, the District was required to contribute 7.50 percent of annual covered salary. The employee and employer contribution rates did not change from the previous year.

The District's contribution for the General Employees Retirement Plan for the year ended December 31, 2018, were \$77,347. The contributions are equal to the contractually required contributions as set by state statute.

**D. PENSION COSTS**

At December 31, 2018, the District reported a liability of \$809,948 for its proportionate share of the General Employees Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the District's proportion was 0.0146 percent. It was 0.0144 percent measured as of June 30, 2017. The District recognized pension expense of \$109,063 for its proportionate share of the General Employees Plan's pension expense.

The District also recognized \$26,605 as revenue, which results in a reduction of the net pension liability, for its proportionate share of the State of Minnesota's contribution to the General Employees Plan, which qualifies as a special funding situation. Legislation requires the State of Minnesota to contribute \$16 million to the General Employees Plan for the fiscal years ended June 30, 2018 and 2019, and



**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

\$6 million thereafter, through calendar year 2031.

The District's proportionate share of the net pension liability	\$809,948
State of Minnesota's proportionate share of the net pension liability associated with the District	<u>26,605</u>
Total	<u><u>\$836,553</u></u>

The District reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$21,439	\$23,784
Changes in actuarial assumptions	77,902	91,006
Difference between projected and actual investment earnings	-	81,677
Changes in proportion	40,940	2,028
Contributions paid to PERA subsequent to the measurement date	39,407	-
Total	<u><u>\$179,688</u></u>	<u><u>\$198,495</u></u>

The \$39,407 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Pension Expense Amount
2019	\$45,580
2020	(\$25,116)
2021	(\$61,773)
2022	(\$16,905)

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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**E. ACTUARIAL ASSUMPTIONS**

The total pension liability in the June 30, 2018, actuarial valuation was determined using the individual entry-age normal actuarial cost method and the following additional actuarial assumptions:

Inflation	2.50 percent per year
Average member payroll growth	3.25 percent per year
Investment rate of return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP-2014 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1.25 percent.

Actuarial assumptions used in the June 30, 2018, valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 30, 2015. Economic assumptions were updated in 2017 based on a review of inflation and investment return assumptions.

The long-term expected rate of return on pension plan investments is 7.50 percent. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Stocks	36%	5.10%
International Stocks	17%	5.30%
Bonds (Fixed Income)	20%	0.75%
Alternative Assets (Private Markets)	25%	5.90%
Cash	2%	0.00%

**F. DISCOUNT RATE**

The discount rate used to measure the total pension liability was 7.50% in 2018, which remained consistent with 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the fiduciary net position of the General Employees Plan was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

**G. CHANGES IN ACTUARIAL ASSUMPTIONS AND PLAN PROVISIONS**

The following changes in actuarial assumptions occurred in 2018:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase rate was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.

**H. PENSION LIABILITY SENSITIVITY**

The following presents the District's proportionate share of the net pension liability calculated using the discount rate previously disclosed, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate 1.00 percentage point lower or 1.00 percentage point higher than the current discount rate:

	Proportionate Share of the	
	Discount	Net Pension
	Rate	Liability
1% Decrease	6.50%	\$1,316,269
Current	7.50%	809,948
1% Increase	8.50%	391,994

**I. PENSION PLAN FIDUCIARY NET POSITION**

Detailed information about the pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the internet at [www.mnpera.org](http://www.mnpera.org); by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling 651-296-7460 or 1-800-652-9026.

**Note 9 COMPENSATED ABSENCES**

Changes in compensated absences during 2018 are:

Balance January 1, 2018	\$64,709
Additions	105,096
Deductions	(86,160)
Balance December 31, 2018	<u>\$83,645</u>
Due within one year	<u>\$83,645</u>

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2018

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**Note 10 FUND BALANCE**

**A. CLASSIFICATIONS**

At December 31, 2018, a summary of the governmental funds' fund balance classifications are as follows:

	Operations	Capital Improvement	Debt Service	Total
Restricted to:				
Debt service	\$ -	\$583,501	\$156,133	\$739,634
Total restricted	-	583,501	156,133	739,634
Assigned to:				
Capital improvement	-	4,315,285	-	4,315,285
Total assigned	-	4,315,285	-	4,315,285
Unassigned	2,211,785	-	-	2,211,785
Total	<u>\$2,211,785</u>	<u>\$4,898,786</u>	<u>\$156,133</u>	<u>\$7,266,704</u>

**Note 11 RECENTLY ISSUED ACCOUNTING STANDARDS**

The Governmental Accounting Standards Boards (GASB) recently approved the following statements which were not implemented for these financial statements:

**Statement No. 83** *Certain Asset Retirement Obligations*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

**Statement No. 84** *Fiduciary Activities*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

**Statement No. 87** *Leases*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

**Statement No. 88** *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2018.

**Statement No. 89** *Accounting for Interest Cost Incurred before the End of a Construction Period*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2019.

**Statement No. 90** *Majority Equity Interests*. The provisions of this Statement are effective for reporting periods beginning after December 15, 2018.

The effect these standards may have on future financial statements is not determinable at this time, but it is expected that Statement No. 87 may have a material impact.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**CAPITOL REGION WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - OPERATIONS FUND**  
For The Year Ended December 31, 2018

**Schedule 1**

	Budgeted Amounts		2018 Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Tax levy	\$3,530,480	\$3,530,480	\$3,504,968	(\$25,512)
Intergovernmental	45,000	45,000	26,605	(18,395)
Interest income	1,000	1,000	55,756	54,756
Permit fees	20,000	20,000	27,400	7,400
Miscellaneous	-	-	29,159	29,159
Total revenues	<u>3,596,480</u>	<u>3,596,480</u>	<u>3,643,888</u>	<u>47,408</u>
Expenditures:				
Administrative	398,833	398,833	658,516	(259,683)
Programs	2,490,590	2,490,590	2,247,976	242,614
Projects	882,057	882,057	596,878	285,179
Total expenditures	<u>3,771,480</u>	<u>3,771,480</u>	<u>3,503,370</u>	<u>268,110</u>
Revenues over expenditures	<u>(\$175,000)</u>	<u>(\$175,000)</u>	140,518	<u>\$315,518</u>
Fund balance - January 1			<u>2,071,267</u>	
Fund balance - December 31			<u>\$2,211,785</u>	

The notes to the required supplementary information are an integral part of this schedule.

**CAPITOL REGION WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY\* -**  
**GENERAL EMPLOYEES RETIREMENT PLAN**  
December 31, 2018

**Schedule 2**

Measurement Date	Fiscal Year Ending	Capitol Region's Proportionate (Percentage) of the Net Pension Liability	Capitol Region's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with Capitol Region (b)	Capitol Region's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with Capitol Region (a+b)	Covered Payroll (c)	Capitol Region's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2018	December 31, 2018	0.0146%	\$809,948	\$26,605	\$836,553	\$983,376	85.1%	79.5%
June 30, 2017	December 31, 2017	0.0144%	\$919,286	\$11,545	\$930,831	\$926,534	100.5%	75.9%
June 30, 2016	December 31, 2016	0.0133%	\$1,079,894	\$14,131	\$1,094,025	\$825,946	132.5%	68.9%
June 30, 2015	December 31, 2015	0.0134%	\$694,458	\$ -	\$694,458	\$790,289	87.9%	78.2%

\* The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

The notes to the required supplementary information are an integral part of this schedule.

**CAPITOL REGION WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS\* - GENERAL EMPLOYEES RETIREMENT PLAN**  
December 31, 2018

**Schedule 3**

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered-Employee Payroll (b/c)
December 31, 2018	\$77,347	\$77,347	\$0	\$1,031,305	7.5%
December 31, 2017	\$71,261	\$71,261	\$0	\$950,146	7.5%
December 31, 2016	\$64,434	\$64,434	\$0	\$859,120	7.5%
December 31, 2015	\$53,516	\$61,749	(\$8,233)	\$823,317	7.5%

\* The schedule is provided prospectively beginning with the District's fiscal year ended December 31, 2015 and is intended to show a ten year trend. Additional years will be reported as they become available.

The notes to the required supplementary information are an integral part of this schedule.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
December 31, 2018

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**Note A    LEGAL COMPLIANCE – 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. Total fund 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.

**Note B    PENSION INFORMATION**

**PERA – General Employees Retirement Plan**

*2018 Changes*

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter, to 1.25 percent per year.

*2017 Changes*

Changes in Actuarial Assumptions:

- The Combined Service Annuity (CSA) loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members (30% for deferred Minneapolis Employees Retirement Fund members). The revised CSA loads are now 0.0% for active member liability, 15.0% for vested deferred member liability and 3.0% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.
- Minneapolis Employees Retirement Fund plan provisions change the employer supplemental contribution to \$21,000,000 in PERA's calendar years 2017 and 2018 and returns \$31,000,000 through calendar year 2031. The state's required contribution is \$16,000,000 in PERA's fiscal years 2018 and 2019 and returns to \$6,000,000 annually through calendar 2031.

*2016 Changes*

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.



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## **SUPPLEMENTARY INFORMATION**

**CAPITOL REGION WATERSHED DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT FUND**  
For The Year Ended December 31, 2018

**Schedule 4**

	Budgeted Amounts		2018 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
General property taxes	\$3,000,000	\$3,000,000	\$2,432,295	(\$567,705)
Intergovernmental	150,000	150,000	431,612	281,612
Interest income	-	-	126,631	126,631
Total revenues	<u>3,150,000</u>	<u>3,150,000</u>	<u>2,990,538</u>	<u>(159,462)</u>
Expenditures:				
Current:				
Conservation of natural resources:				
Como Lake BMP	444,140	444,140	54,288	389,852
McCarron's BMP	119,970	119,970	101,223	18,747
Loeb Lake BMP	85,590	85,590	92,444	(6,854)
Trout Brook BMP	288,150	288,150	53,125	235,025
Mississippi River Subwatershed -implementation	619,540	619,540	44,631	574,909
Special projects and grants	<u>824,580</u>	<u>824,580</u>	<u>405,565</u>	<u>419,015</u>
Total conservation of natural resources	<u>2,381,970</u>	<u>2,381,970</u>	<u>751,276</u>	<u>1,630,694</u>
Capital outlay	8,762,000	8,762,000	8,295,616	466,384
Debt service:				
Issuance costs	-	-	172,835	(172,835)
Total expenditures	<u>11,143,970</u>	<u>11,143,970</u>	<u>9,219,727</u>	<u>1,924,243</u>
Revenues over (under) expenditures	(\$7,993,970)	(\$7,993,970)	(6,229,189)	\$1,764,781
Other financing sources (uses):				
Bond proceeds	10,000,000	10,000,000	9,690,000	(310,000)
Bond premium	-	-	307,239	307,239
	<u>10,000,000</u>	<u>10,000,000</u>	<u>9,997,239</u>	<u>(2,761)</u>
Net change in fund balance	<u>\$2,006,030</u>	<u>\$2,006,030</u>	3,768,050	<u>\$1,762,020</u>
Fund balance - January 1			1,130,736	
Fund balance - December 31			<u>\$4,898,786</u>	

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# APPENDIX B

## Stormwater Pollution Prevention Annual Report

## MS4 Annual Report for 2018

**Reporting period:** January 1, 2018 to December 31, 2018

**Due:** June 30, 2019

**Instructions:** Complete this annual report to provide a summary of your activities under the 2013 MS4 Permit (Permit) between January 1, 2018 and December 31, 2018. MPCA staff may also contact you for additional information.

**Questions:** Contact Cole Landgraf (cole.landgraf@state.mn.us, 651-757-2880)

### MS4 General Contact Information

Full Name:	Anna Eleria
Title:	Division Manager
Mailing Address:	595 Aldine Street
City:	Saint Paul
State:	MN
Zip Code:	55104
Phone:	651-644-8888
Email:	aeleria@capitolregionwd.org

### Preparer Contact Information (if different from the MS4 General Contact)

Full Name:	
Title:	
Organization:	
Mailing Address:	
City:	
State:	
Zip Code:	
Phone:	
Email:	

## MCM 1: Public Education and Outreach

The following questions refer to Part III.D.1. of the Permit.

**Q2** Did you select a stormwater-related issue of high priority to be emphasized during this Permit term? [Part III.D.1.a.(1)]

Yes

**Q3** If 'Yes' in Q2, what is your stormwater-related issue(s)? Check all that apply.

	Total Maximum Daily Loads (TMDLs)
X	Local businesses
X	Residential best management practices (BMPs)
X	Pet waste
X	Yard waste
X	Deicing materials
	Household chemicals
X	Construction activities
X	Post-construction activities
	Other

If 'Other,'  
describe:

--

**Q4** Have you distributed educational materials or equivalent outreach to the public focused on illicit discharge recognition and reporting? [Part III.D.1.a.(2)]

No

**Q5** Do you have an implementation plan as required by the Permit? [Part III.D.1.b.]

Yes



**Q6** How did you distribute educational materials or equivalent outreach? [Part III.D.1.a.] Check all that apply in the table below.

**Q7** For the items checked in Q6 below, who is the intended audience? Check all that apply in the table below.

**Q8** For the items checked in Q6 below, enter the total circulation/audience in the table below (if unknown, use best estimate).

Q6 How did you distribute educational materials or equivalent outreach? Check all that apply:		Q7 Intended audience? Check all that apply:						Q8 Total circulation/audience: (if unknown, best est.)
		Residents	Local businesses	Developers	Students	Employees	Other	
X	Brochure	X	X	X	X	X	X	5000
	Newsletter							
	Utility bill insert							
X	Newspaper ad	X	X					885406
X	Radio ad	X	X	X	X	X	X	142857
	Television ad							
	Cable access channel							
X	Stormwater-related event	X	X		X	X	X	6000
X	School project or presentation				X		X	700
X	Website	X	X	X	X	X	X	23480
X	Other (1) Describe: Workshop	X		X	X	X	X	90
X	Other (2) Describe: Blog Posts	X	X		X		X	1500
X	Other (3) Describe: Tour	X			X		X	175

For Q9 and Q10 below, provide a brief description of each activity related to public education and outreach (e.g. rain garden workshop, school presentation, public works open house) held and the date each activity was held from January 1, 2018 to December 31, 2018. [Part III.D.1.c.(4)]

Q9 Date of Activity	Q10 Description of Activity
1/19/2018	Tour of CHS Field with MN Public Radio
5/19/2018	Residential rain barrel workshop with community members and Master Water Stewards
9/21/2018	CRWD's 20th anniversary celebration with residents and partners
10/24/2018	School presentation to 75 students at Higher Ground Academy
12/6/2018	Public meeting #3 for Como Lake Management Plan

**Q11** Between January 1, 2018 and December 31, 2018, did you modify your BMPs, measurable goals, or future plans for your public education and outreach program? [Part IV.B.]  
If 'Yes,' describe those modifications:

☐ No



## MCM 2: Public Participation/Involvement

The following questions refer to Part III.D.2.a. of the Permit.

**Q12** You must provide a minimum of one opportunity each year for the public to provide input on the adequacy of your Stormwater Pollution Prevention Program (SWPPP).  
Did you provide this opportunity between January 1, 2018 and December 31, 2018? [Part III.D.2.a.(1)]

☐ Yes

**Q13** If 'Yes' in **Q12**, what was the opportunity that you provided? Check all that apply.

<input checked="" type="checkbox"/>	Public meeting
<input type="checkbox"/>	Public event
<input type="checkbox"/>	Other

**Q14** If 'Public meeting' in **Q13**, did you hold a stand-alone meeting or combine it with another event?

Combined

Enter the date of the public meeting:

Enter the number of citizens that attended and were informed about your SWPPP:

**Q15** If 'Public Event' in **Q13**,

Describe:

**Q15** Enter the date of the public event:

Enter the number of citizens that attended and were informed about your SWPPP:

**Q16** If 'Other' in **Q13**,

Describe:

Enter the date of the 'other' event:

Enter the number of citizens that attended and were informed about your SWPPP:

**Q17** Between January 1, 2018 and December 31, 2018, did you receive any input regarding your SWPPP?

If 'Yes,' enter the total number of individuals or organizations that provided comments on your SWPPP:

**Q18** If 'Yes' in **Q17**, did you modify your SWPPP as a result of written input received? [Part III.D.2.b.(2)]

If 'Yes,' describe those modifications:

**Q19** Between January 1, 2018 and December 31, 2018, did you modify your BMPs, measurable goals, or future plans for your public education and outreach program? [Part IV.B.]

If 'Yes,' describe those modifications:



### MCM 3: Illicit Discharge Detection and Elimination

The following questions refer to Part III.D.3. of the Permit.

**Q20** Do you have a regulatory mechanism which prohibits non-stormwater discharges to your MS4?

**Q21** Did you identify any illicit discharges between January 1, 2018 and December 31, 2018? [Part III.D.3.h.(4)]

**Q22** If 'Yes' in **Q21**, enter the number of illicit discharges detected:

**Q23** If 'Yes' in **Q21**, how did you discover these illicit discharges? Check all that apply.

<input checked="" type="checkbox"/>	Public complaint
<input checked="" type="checkbox"/>	Staff

**Q24** If 'Public complaint' in **Q23**, enter the number discovered by the public:

**Q25** If 'Staff' in **Q23**, enter the number discovered by staff:

**Q26** If 'Yes' in **Q21**, did any of the discovered illicit discharges result in an enforcement action (this includes verbal warnings)?

☒ Yes

**Q27** If 'Yes' in **Q26**, what type of enforcement action(s) was taken and how many of each action were issued between January 1, 2018 and December 31, 2018? Check all that apply.

		Number issued:
<input checked="" type="checkbox"/>	Verbal warning	7
<input type="checkbox"/>	Notice of violation	
<input type="checkbox"/>	Fine	
<input type="checkbox"/>	Criminal action	
<input type="checkbox"/>	Civil penalty	
<input type="checkbox"/>	Other	

If 'Other,' describe:

**Q28** If 'Yes' in **Q26**, did the enforcement action(s) taken sufficiently address the illicit discharge(s)?

☒ Yes

**Q29** If 'No' in **Q28**, why was the enforcement not sufficient to address the illicit discharge(s)?

**Q30** Do you have written Enforcement Response Procedures (ERPs) to compel compliance with your illicit discharge regulatory mechanism(s)? [Part III.B.]

☒ Yes

**Q31** Between January 1, 2018 and December 31, 2018, did you train all field staff in illicit discharge recognition (including conditions which could cause illicit discharges) and reporting illicit discharges for further investigations? [Part III.D.3.e.]

☒ Yes

**Q32** If 'Yes' in **Q31**, how did you train your field staff? Check all that apply.

<input checked="" type="checkbox"/>	Email
<input type="checkbox"/>	Powerpoint
<input type="checkbox"/>	Presentation
<input type="checkbox"/>	Video
<input checked="" type="checkbox"/>	Field Training
<input type="checkbox"/>	Other

If 'Other,' describe:

The following questions refer to Part III.C.1. of the Permit.

**Q33** Did you update your storm sewer system map between January 1, 2018 and December 31, 2018? [Part III.C.1.]

☒ Yes

**Q34** Does your storm sewer map include all pipes 12 inches or greater in diameter and the direction of stormwater flow in those pipes? [Part III.C.1.a.]

☒ Yes

**Q35** Does your storm sewer map include outfalls, including a unique identification (ID) number and an associated geographic coordinate? [Part III.C.1.b.]

☒ Yes

**Q36** Does your storm sewer map include all structural stormwater BMPs that are part of your MS4? [Part III.C.1.c.]

☒ Yes

**Q37** Does your storm sewer map include all receiving waters? [Part III.C.1.d.]

☒ Yes

**Q38** In what format is your storm sewer map available?

☒ GIS

If 'Other,' describe:

**Q39** Between January 1, 2018 and December 31, 2018, did you modify your BMPs, measurable goals, or future plans for your illicit discharge detection and elimination (IDDE) program? [Part IV.B.]

☒ No

If 'Yes,' describe those modifications:



## MCM 4: Construction Site Stormwater Runoff Control

The following questions refer to Part III.D.4. of the Permit.

**Q40** Do you have a regulatory mechanism that is at least as stringent as the Agency's general permit to Discharge Stormwater Associated with Construction Activity (CSW Permit) No. MN R100001 (<http://www.pca.state.mn.us/index.php/view-document.html?gid=18984>) for erosion and sediment controls and waste controls? [Part III.D.4.a.]

☒ Yes

**Q41** Have you developed written procedures for site plan reviews as required by the Permit? [Part III.D.4.b.]

Yes

**Q42** Have you documented each site plan review as required by the Permit? [Part III.D.4.f.]

Yes

**Q43** Enter the number of site plan reviews conducted for sites an acre or greater between January 1, 2018 and December 31, 2018:

24

**Q44** What types of enforcement actions do you have available to compel compliance with your regulatory mechanism? Check all that apply and enter the number of each used from January 1, 2018 to December 31, 2018.

		Number issued:
	Verbal warning	0
X	Notice of violation	880
	Administrative order	0
X	Stop-work order	3
	Fine	0
X	Forfeit of security bond money	0
	Withholding of certificate of occupancy	0
	Criminal action	0
X	Civil penalty	0
	Other	0

If 'Other,' describe:

**Q45** Do you have written Enforcement Response Procedures (ERPs) to compel compliance with your construction site stormwater runoff control regulatory mechanism(s)? [Part III.B.]

Yes

**Q46** Enter the number of active construction sites an acre or greater that were in your jurisdiction between January 1, 2018 and December 31, 2018:

62

**Q47** Do you have written procedures for identifying priority sites for inspections? [Part III.D.4.d.(1)]

Yes

**Q48** If 'Yes' in **Q47**, how are sites prioritized for inspections? Check all that apply.

- ☐ Site topography
- ☐ Soil characteristics
- ☒ Types of receiving water(s)
- ☒ Stage of construction
- ☒ Compliance history
- ☐ Weather conditions
- ☒ Citizen complaints
- ☐ Project size
- ☒ Other

If 'Other,' describe:

Staff availability and work schedule

**Q49** Do you have a checklist or other written means to document site inspections when determining compliance? [Part III.D.4.d.(4)]

Yes

**Q50** Enter the number of site inspections conducted for sites an acre or greater between January 1, 2018 and December 31, 2018:

1185

**Q51** Enter the frequency at which site inspections are conducted (e.g. daily, weekly, monthly): [Part III.D.4.d.(2)]

biweekly

**Q52** Enter the number of trained inspectors that were available for construction site inspections between January 1, 2018 and December 31, 2018:

4

**Q53** Provide the contact information for the inspector(s) and/or organization that conducts construction stormwater inspections for your MS4. List your primary construction stormwater contact first if you have multiple inspectors.

1	Inspector Name	Elizabeth Hosch
	Organization	Capitol Region Watershed District
	Phone (Office)	6516448888
	Phone (Work Cell)	
	Email	ehosch@capitolregionwd.org
	Preferred contact method	email
2	Inspector Name	Dave Dahle
	Organization	Capitol Region Watershed District
	Phone (Office)	651-644-8888
	Phone (Work Cell)	
	Email	
	Preferred contact method	2018 season employee - no longer with CRWD
3	Inspector Name	Louis Sigtermans, Eric Osterdyk, Brendan Barth
	Organization	Wenck Associates
	Phone (Office)	651-294-4580
	Phone (Work Cell)	
	Email	lsigtermans@wenck.com, eosterdyk@wenck.com, bbarth@wenck.com
	Preferred contact method	email

**Q54** What training did inspectors receive? Check all that apply.

<input checked="" type="checkbox"/>	University of Minnesota Erosion and Stormwater Management Certification Program
<input type="checkbox"/>	Qualified Compliance Inspector of Stormwater (QCIS)
<input type="checkbox"/>	Minnesota Laborers Training Center Stormwater Pollution Prevention Plan Installer or Supervisor
<input type="checkbox"/>	Minnesota Utility Contractors Association Erosion Control Training
<input type="checkbox"/>	Certified Professional in Erosion and Sediment Control (CPESC)
<input type="checkbox"/>	Certified Professional in Stormwater Quality (CPSWQ)
<input checked="" type="checkbox"/>	Certified Erosion Sediment and Storm Water Inspector (CESSWI)
<input checked="" type="checkbox"/>	Other

If 'Other,' describe: On the job training with other inspection staff

**Q55** Between January 1, 2018 and December 31, 2018, did you modify your BMPs, measurable goals, or future plans for your construction site stormwater runoff control program? [Part IV.B.]

☐ No

If 'Yes,' describe those modifications:



## MCM 5: Post-Construction Stormwater Management

The following questions refer to Part III.D.5. of the Permit.

**Q56** Do you have a regulatory mechanism which meets all requirements as specified in Part III.D.5.a of the Permit?

☐ Yes

**Q57** What approach are you using to meet the performance standard for Volume, Total Suspended Solids (TSS), and Total Phosphorus (TP) as required by the Permit? [Part III.D.5.a.(2)] Check all that apply.

[Refer to the link http://www.pca.state.mn.us/index.php/view-document.html?gid=17815 for guidance on stormwater management approaches.](http://www.pca.state.mn.us/index.php/view-document.html?gid=17815)

<input type="checkbox"/>	Retain a runoff volume equal to one inch times the area of the proposed increase of impervious surface on-site
<input type="checkbox"/>	Retain the post-construction runoff volume on site for the 95th percentile storm
<input type="checkbox"/>	Match the predevelopment runoff conditions
<input checked="" type="checkbox"/>	Adopt the Minimal Impact Design Standards (MIDS)
<input type="checkbox"/>	An approach has not been selected
<input type="checkbox"/>	Other method (Must be technically defensible - e.g., based on modeling, research and acceptable engineering practices)

If 'Other,' describe:

**Q58** Do you have written Enforcement Response Procedures (ERPs) to compel compliance with your post-construction stormwater management regulatory mechanism(s)? [Part III.B.]

☐ Yes

**Q59** Between January 1, 2018 and December 31, 2018, did you modify your BMPs, measurable goals, or future plans for your post-construction site stormwater management program? [Part IV.B.]

☐ No

If 'Yes,' describe those modifications:



## MCM 6: Pollution Prevention/Good Housekeeping for Municipal Operations

The following questions refer to Part III.D.6. of the Permit.

**Q60** Enter the total number of structural stormwater BMPs, outfalls (excluding underground outfalls), and ponds within your MS4 (exclude privately owned).

Structural stormwater BMPs	32
Outfalls	1
Ponds	0

**Q61** Enter the number of structural stormwater BMPs, outfalls (excluding underground outfalls), and ponds that were inspected from January 1, 2018 to December 31, 2018 within your MS4 (exclude privately owned). [Part III.D.6.e.]

Structural stormwater BMPs	32
Outfalls	1
Ponds	0

**Q62** Have you developed an alternative inspection frequency for any structural stormwater BMPs, as allowed in Part III.D.6.e.(1) of the Permit?

☐ No



**Q63** Based on inspection findings, did you conduct any maintenance on any structural stormwater BMPs? [Part III.D.6.e.(1)]

☐ Yes

**Q64** If 'Yes,' briefly describe the maintenance that was conducted:

BMP maintenance includes regular removal of sediment, debris and trash from pre-treatment structures and catch basin cleaning twice a year. In the spring, plants and mulch are replaced as needed.

**Q65** Do you own or operate any stockpiles, and/or storage and material handling areas? [Part III.D.6.e.(3)]

☐ No

**Q66** If 'Yes' in **Q65**, did you inspect all stockpiles and storage and material handling areas quarterly? [Part III.D.6.e.(3)]

☐

**Q67** If 'Yes' in **Q66**, based on inspection findings, did you conduct maintenance at any of the stockpiles and/or storage and material handling areas?

☐

**Q68** If 'Yes' in **Q67**, briefly describe the maintenance that was conducted:

**Q69** Between January 1, 2018 and December 31, 2018, did you modify your BMPs, measurable goals, or future plans for your pollution prevention/good housekeeping for municipal operations program? [Part IV.B.]

☐ No

If 'Yes,' describe those modifications:



## Discharges to Impaired Waters with a USEPA-Approved TMDL that Includes an applicable WLA

If required, you must complete the **TMDL Annual Report Form**, available at: [http://stormwater.pca.state.mn.us/index.php/Upload\\_page\\_with\\_TMDL\\_forms](http://stormwater.pca.state.mn.us/index.php/Upload_page_with_TMDL_forms). Attach your completed TMDL Annual Report Form to this Annual Report as instructed below. [Part III.E]

**Q71** Successfully uploaded file:



## Alum or Ferric Chloride Phosphorus Treatment Systems

The following questions refer to Part III.F.3.a. of the Permit. Provide the information below as it pertains to your alum or ferric chloride phosphorus treatment system.

*'Alum or Ferric Chloride Phosphorus Treatment Systems' section not required for Capitol Region WD MS4.*

**Q72** Date(s) of operation (mm/dd/yyyy - mm/dd/yyyy)

January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

	<b>Q73</b>	<b>Q74</b>	<b>Q75</b>	<b>Q76</b>
	Chemical(s) used for treatment:	Gallons of alum or ferric chloride treatment:	Gallons of water treated:	Calculated pounds of phosphorus removed:
January				
February				
March				
April				
May				
June				
July				
August				
September				
October				
November				
December				

Q77 Any performance issues and corrective action(s), including the date(s) when corrective action(s) were taken, between January 1, 2018 and December 31, 2018:



## Partnerships

Q78 Did you rely on any other regulated MS4s to satisfy one or more Permit requirements?

Yes

Q79 If 'Yes' in Q78, describe the agreements you have with other regulated MS4s and which Permit requirements the other regulated MS4s help satisfy: [Part IV.B.6.]

Capitol Region Watershed District partners with the City of Saint Paul (Phase I MS4) and contracts with Hamline University to implement the Adopt-A-Drain (AAD) program. The program goal is to improve water quality by empowering local community members to take visible, tangible, and meaningful action towards responsible management of water resources by "adopting a storm drain". Actions include signing up online, collecting and removing debris from the storm drain and reporting how much was collected and removed. There are currently over 600 residents participating in the program in the City of Saint Paul / CRWD.



## Additional Information

If you would like to provide any additional files to accompany your annual report, use the space below to upload those files. For each space, you may attach one file. You may provide additional explanation and/or information in an email with the subject YourMS4NameHere\_2018AR to ms4permitprogram.pca@state.mn.us.

Q80 Successfully uploaded file: 

File successfully attached.

Q81 Successfully uploaded file: 

No file attached.

Q82 Successfully uploaded file: 

No file attached.

Q83 Optional, describe the file(s) uploaded:



## Owner of Operator Certification

The person with overall administrative responsibility for SWPPP implementation and Permit compliance must certify this MS4 Annual Report. This person must be duly authorized and should be either a principal executive (i.e., Director of Public Works, City Administrator) or ranking elected official (i.e., Mayor, Township Supervisor).

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gathered and evaluated the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete (Minn. R. 7001.0070). I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment (Minn. R. 7001.0540).

X

 Yes

By typing my name in the following box, I certify the above statements to be true and correct, to the best of my knowledge, and that information can be used for the purpose of processing my MS4 Annual Report.

Name: 

Mark Doneux

  
Title: 

Administrator

  
Date: 

6/27/2019

# APPENDIX C

## CRWD Permits By Year

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Applications Received	30	33	31	33	30	30	36	41	41	33	25	24
Acres Disturbed	94	85	110	358	142	331	210	125	129	161	67	66
Acres Impervious	68	64	65	194	90	109	82	77	120	86	25	45
Alternative Compliance Sites	12	13	5	15	14	12	17	21	20	20	13	7
Standard Compliance Sites	15	18	26	18	13	17	19	20	21	13	12	17
Linear Projects	4	8	10	9	8	7	11	9	14	10	3	4
Total Linear Impervious (ac)	37	34	32	156	49.83	75.93	49.78	36.5	26	29.4	5.6	10.9
Total Linear Treatment (cf)	83,568	74,579	174,130	434,773	84,768	413,711	111,797	39,809	41,874	67,256	4894	26313
Infiltration Approved (cf)	120,349	148,131	163,297	425,289	275,781	91,100	124,856	96,889	220,755	120,370	21,564	165,733
Filtration Approved (cf)	73,861	65,959	35,649	198,844	179,448	474,887	348,543	176,183	118,264	217,756	115,844	7,981
Total Treatment Volume	194,210	214,090	198,946	624,133	455,229	565,987	473,399	273,072	339,019	338,126	137,408	173,714
Variances Requested	2	2	2	2	1	0	3	2	4	5	1	2
Variances Approved	1	2	1	2	1	0	3	2	4	5	1	2
Incomplete/With-drawn Applications	3	2	0	0	3	1	2	2	2	0	2	1