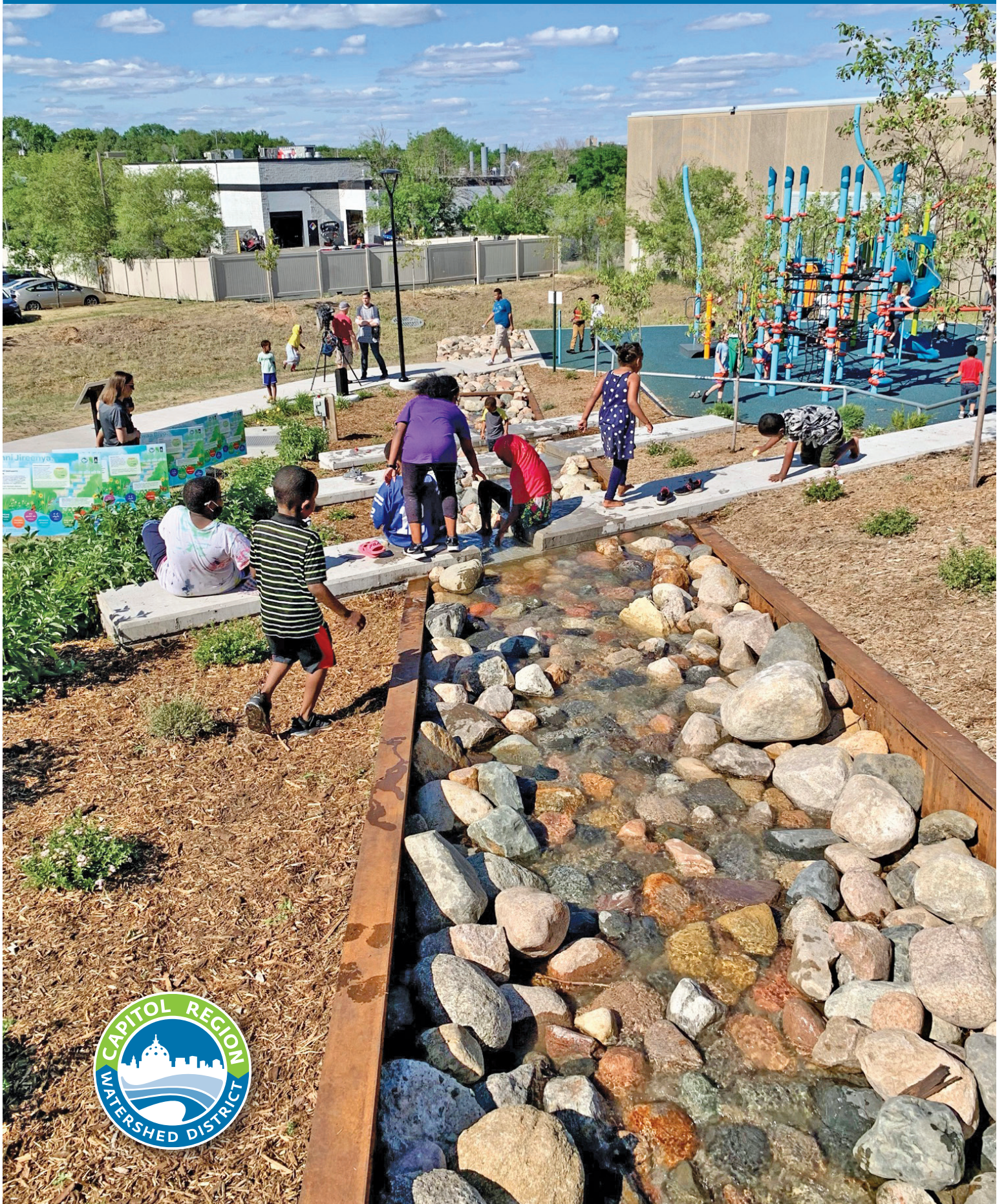


2021 ANNUAL REPORT



LETTER FROM ADMINISTRATOR

From the Administrator:



On behalf of the Board Managers and staff at CRWD I would like to share some highlights of projects and programs in 2021.

CRWD achieved its Leadership in Energy and Environmental Design (LEED) Gold Certification for our new office building at 595 Aldine in Saint Paul. LEED is a building rating system developed by the U.S. Green Building Council that's focused on sustainability. Some of the major elements that helped us achieve LEED Gold status were rainwater harvesting and reuse, energy conservation, solar energy use, an automated daylighting system and waste reduction by reusing locally sourced wood.

In spring 2021, two clean water projects at Como Golf Course were completed in tandem. The first is a large rain garden and underground infiltration system near Hole 7. The second

added an iron-enhanced sand filter bench to the pond between holes 3 and 11. Combined, these projects will treat over 37 million gallons of water and prevent 55.1 pounds of phosphorus from entering Como Lake each year.

CRWD and the Minnesota Department of Natural Resources are working to create a more diverse native aquatic plant community in Como Lake. In September 2021, over 500 individual native aquatic plants were transplanted into four fenced in enclosures around the lake. CRWD staff will continue to closely monitor the plants in the enclosures during the 2022 growing season.

In summer 2021, the Cities of Saint Paul and Roseville, CRWD and Ramsey County Soil & Water Conservation Division constructed 21 new curb-cut rain gardens in the areas that drain to Como Lake and Lake McCarrons. This work was a continuation of the 2019 project that included the installation of 14 curb-cut raingardens in the area that drain to Lake McCarrons. Combined, the 35 rain gardens will prevent over 1.4 million gallons of water from flowing to Como Lake and Lake McCarrons each year.

Throughout 2021 construction continued for sustainable stormwater management systems and water features at the new Highland Bridge community in Saint Paul at the former Ford site. Crews excavated the 90-foot tunnel under Mississippi River Boulevard that connects the re-imagined Hidden Falls Creek with its namesake falls and Hidden Falls Regional Park. By the end of 2021, the majority of the planned water features were nearing completion. The opening of parks and public open spaces is expected later in 2022.

In 2021, CRWD developed new Native Landscaping Grants to offer technical and financial assistance to encourage landowners in CRWD's focus area to install native landscaping. In addition to the native landscaping grant, CRWD will now offer Maintenance Grants for the effective life of clean water projects.

CRWD was part of the Diversity, Equity and Inclusion (DEI) panel at the national Water Environment Federation's Technical Exhibition and Conference in Chicago, Illinois. CRWD also led the DEI Leadership Forum at the Minnesota Association of Watershed Districts' Annual Conference and is building a statewide network of watershed professionals committed to ongoing DEI work.

I am proud of the work we accomplished together in 2021 while continuing to adapt to changing conditions during the second year of the COVID-19 pandemic. I would like to express my appreciation to CRWD's Board of Managers, Community Advisory Committee, and staff; the Cities of Saint Paul, Falcon Heights, Maplewood, Roseville, and Lauderdale; Saint Paul's District Planning Councils; Ramsey County, community partners, 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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Public Art Saint Paul eARTH Lab Summer Workshop, 2021 Partner Grant.



Lower Phalen Creek Project Go With the Flow Walk at Wakan Tipi, 2021 Partner Grant.
Cover photo: Midway Peace Park in Saint Paul.

595 Aldine Street
Saint Paul, Minnesota 55104
651.644.8888 • capitolregionwd.org

OUR WORK

2021 Year in Review Summary

People

5 Board Managers
15 CAC members
22 Staff members

Water Resources and the District

1 Mighty Mississippi
5 lakes — Como, Crosby, Little Crosby, Loeb & McCarrons
11 wetlands
19 miles of shoreline
16 major sub-watersheds
500 miles of storm sewers

Monitoring and Research

122 water quality and quantity monitoring sites
11 new monitoring sites added in 2021

Permitting

1,180 permit inspections
37 permit applications
21 permits closed
101,171 gallons of stormwater runoff treated

Budget

\$5,013,903 Ops* revenue
\$4,592,766 Ops* expenses
\$2,741,175 CIP* revenue
\$764,037 CIP* expenses

* Ops = Operations
CIP = Capital Improvement Program

Communications and Engagement

8,500 residents engaged
100 public events, trainings, presentations, resource assistance, school visits, field trips and tours within the District
14 newsletters to residents
55,597 website page views

Stewardship Grant Inspections

240 Stewardship Grant project inspections
84% of inspections received an A or B rating, meaning that no or few improvements were needed

Adopt a Drain

31,000 pounds of material near storm drains removed by volunteers!
12 pounds of total phosphorus prevented from flowing to the Mississippi River
141 new Adopt a Drain volunteers
321 new storm drains adopted in the District

Minnesota Water Stewards

5 new water stewards
20 graduated water stewards
235 hours of volunteer service

Projects

Como Lake Native Aquatic Plant Nurseries

500 individual plants
10 different native aquatic plant species
4 nursery enclosures

Como & McCarrons Curb-Cut Rain Gardens

2,700 lbs. of sediment removed each year
900,000 gals. of water treated each year

Midway Peace Park

2 new rain gardens
1.5 million gals. of water treated each year

Highland Bridge

65 million gals. of water treated each year
145 lbs. of phosphorus removed

Como Golf Course

37 million gals. of water treated each year
55.1 lbs. of phosphorus removed

Seminary Pond

4,520 lbs. of sediment removed each year
10.3 lbs. of phosphorus removed

Phosphorus is a pollutant in stormwater runoff that fuels algae growth in our lakes and the Mississippi River. It comes from decaying organic matter like leaves, grass clippings, pet waste and dirt.

OUR ORGANIZATION

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

Vision Cleaner waters through innovative, resilient, effective and equitable watershed management in collaboration with diverse partners.

De Dakota Makóče, this is Dakota Land Land Acknowledgement

The Board of Managers adopted the following land acknowledgement:

CRWD would like to acknowledge the Dakota peoples on whose land we work. We thank the Dakota peoples and their relatives for their care of the land, and we recognize their continuing connection to the land, waters, and community. We pay our respects to Dakota people and their culture; past, present and future. We pledge to treat this land honorably and respectfully.

Background

CRWD is a local, special-purpose unit of government that works to protect, manage, and improve the 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, Wakpa Tanja in the Dakota language.

In 1998, a small group of dedicated residents, 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 Community Advisory Committee. This is a testament to how much residents care about our local water resources.

Phidámayaye. Thank you to Lower Phalen Creek Project for sharing the Dakota language to cultivate a deeper connection to Indigenous land. Dakota words in this report are part of the Story Strolls project created in 2020 by Lower Phalen Creek Project, a local Native-led environmental nonprofit on the East Side of Saint Paul, in partnership with CRWD and Saint Paul Parks and Recreation.

To learn more visit
[lowerphalencreek.org/](https://lowerphalencreek.org/resources)
resources



Parkview Center School Water Project first grade entomology, 2021 Partner Grant.

OUR ORGANIZATION

Watershed Management Plan

The District's new Watershed Management Plan (Plan) was developed to guide its actions in a coordinated, thoughtful, and effective manner over the period from 2021-2030. The plan was adopted on November 4, 2020. The District developed the plan in collaboration with stakeholders and partners who serve key roles in achieving District goals. This Plan carries forward many of the issues, goals, and themes included in the District's 2010 Plan. This document builds on a strong foundation of programs, projects, and partnerships to address the most immediate water resource management needs and increase the effectiveness of its efforts in the face of new and evolving challenges.

A ten-page overview of the Plan was developed in 2021. It summarizes the content of the Plan, including CRWD's work, the communities served by the District,

organizational values, themes, priority issues, goals, focus areas, funding, programs, projects and capital improvements.

Finances

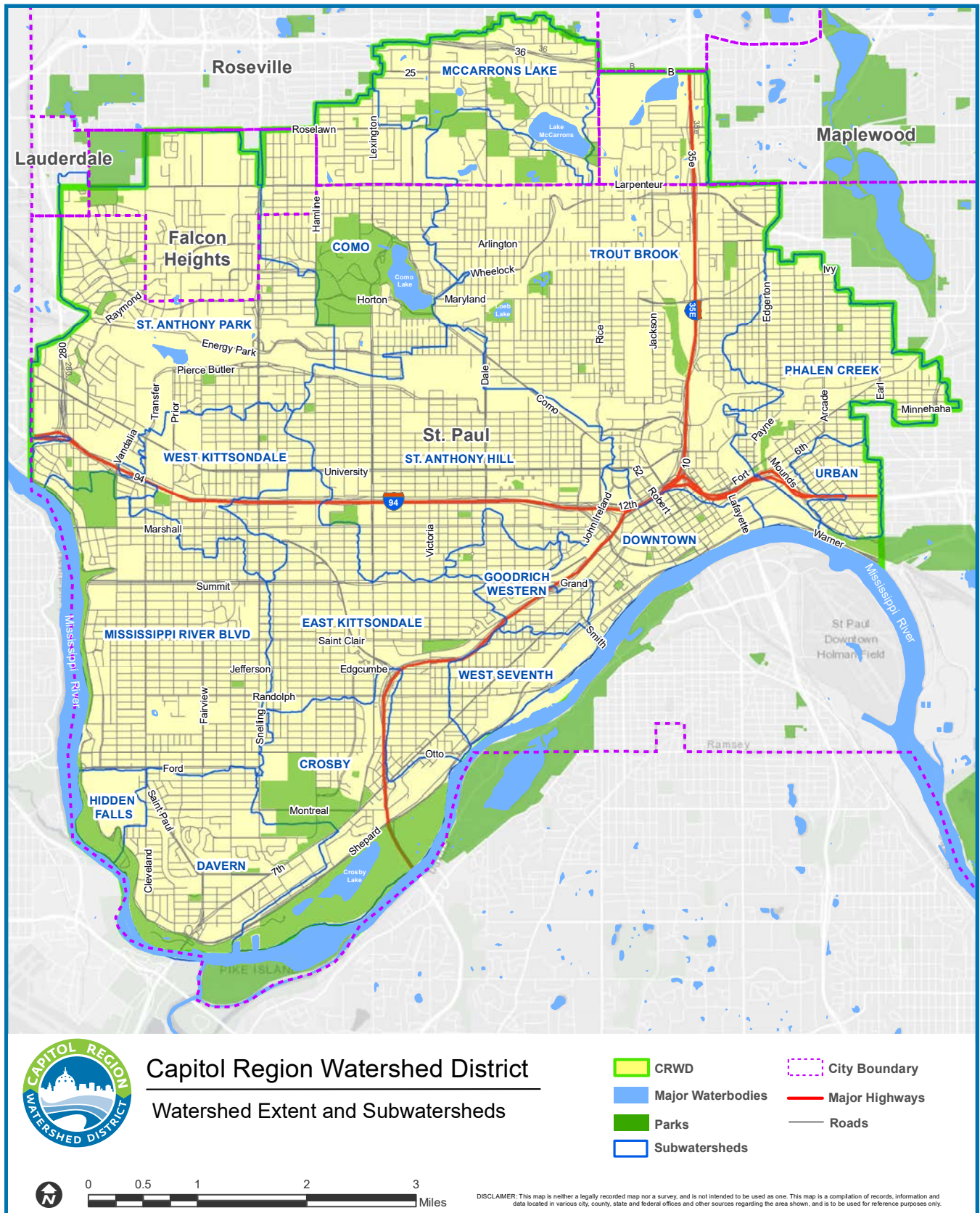
State statutes 103B and 103D provide watershed districts with the authority to levy property taxes and this amount is included on property tax statements. A budget is developed annually and approved after comments are received and a public hearing is held. The funds received through the property tax levy can be used for projects, grants, programs, and administration as recommended in the Watershed Management Plan. More specific information on CRWD's finances and a copy of the 2021 Financial Statement and Audit can be found in Appendix B. The 2021 audit, completed in 2022, had no findings from the state audit.



MN Horticulture Society's MN SEED Project seed collection at CRWD, 2021 Partner Grant.

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.



Joe Collins
President



Mary Texer
Vice President



Hawona Sullivan Janzen
Secretary



Rick Sanders
Treasurer



Shawn Murphy
Communications and
Engagement

2021 Staff

[Mark Doneux](#), Administrator

[Anna Annim-Wilson](#), Administrative Assistant

[Britta Belden](#), Water Resource Project Manager

[Jessica Bromelkamp](#), Communications & Engagement
Division Manager

[Anna Eleria](#), Planning, Projects & Grants Division Manager

[Bob Fossum](#), Monitoring & Research Division Manager

[Rachel Funke](#), Urban BMP Technician

[Belinda Gardner](#), Administrative Assistant and Diversity,
Equity and Inclusion Coordinator

[Elizabeth Hosch](#), Permit Program Manager

[Forrest Kelley](#), Regulatory Division Manager

[Chris Kucek](#), Water Resource Technician

[Carol Lundgren](#), Stormwater BMP Specialist

[Luke Martinkosky](#), BMP Inspector

[Alexandra Morrison](#), Stormwater BMP Technician

[Lindsay Schwantes](#), Community Engagement
Program Manager

[Joe Sellner](#), Water Resource Technician

[Acadia Stephan](#), Permit Inspector

[Michelle Sylvander](#), Office Manager

[Mary Van Sant](#), Communications Associate

[Sarah Wein](#), Monitoring Coordinator

[Marta Wichman](#), Water Resource Technician

[Nate Zwonitzer](#), Water Resource Project Manager

Photo of Hawona Sullivan Janzen by Caroline Yang.
All others this page by Becca Dilley.



OUR PEOPLE

Community Advisory Committee

The Community 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. Visit CRWD's website for information on how to join.

The CAC welcomed three new members in 2021: Devin Driscoll, Andrew Montain, and Lauren Wheeler. Returning CAC members are David Arbeit, Cheryl Braun, Pat Cavanaugh, Steve Duerre, Tom Elko, Mary Lilly, Mike MacDonald, Bob Simonet, Nicole Soderholm (co-chair), Michelle Ulrich, and Richard Weil and Gwen Willems (co-chair).



Photo by Becca Dilley.

2021 Consultants

In 2021, CRWD prepared a pool of 2021-2022 professional services providers, a required biennial solicitation. The list of invitees was drawn from state and local vendor lists including the Disadvantaged Business Enterprise (DBEs) Program. The Request for Qualifications was sent to nearly 200 firms, and a Statement of Qualification was received from 31 firms of which 11 are DBEs.

The consultants CRWD engaged in 2021 are listed below.

Barr Engineering, 4300 MarketPointe Dr., Minneapolis, MN

Houston Engineering, Inc., 6901 East Fish Lake Rd., Maple Grove, MN

Hansen Thorp Pellinen Olson, Inc., 7510 Market Place Dr., Eden Prairie, MN

MSR Design, 510 Marquette Ave. South, Ste. 200, Minneapolis, MN

Resource Environmental Solutions, LLC., 20276 Delaware Ave., Jordan, MN

Stantec Consulting Services, Inc., 733 Marquette Ave., Ste. 1000, Minneapolis, MN

SRF Consulting Group, Inc., One Carlson Pkwy., Ste. 150, Plymouth, MN

Young Environmental Consulting Group, LLC., 915 Mainstreet, Ste. 4000, Hopkins, MN

RECOGNITION & AWARDS

Recognition and Awards Ceremony

CRWD hosted a virtual celebration to honor the contributions of residents, community organizations and businesses as well as Board Managers, CAC members and staff at the 2021 Recognition and Awards Ceremony.

Watershed Citizen Award

Scott Alsleben

The Watershed Citizen Award is given to an individual who has demonstrated a personal commitment to citizen engagement, project initiation or exceptional leadership that supports CRWD's mission. For over 9 years, Scott Alsleben has been bringing Great River School students in grades 7-10 to natural areas throughout CRWD including Reservoir Woods, Como Lake, Como woodlands, Crosby Farm and the Mississippi River. Together, they have explored, hosted regular clean-ups and toured rain gardens to give students a hands-on experience that connects them to the region and the natural world. He weaves these lessons back into his classes which include urban farming and forestry.

The real-life connection to water and caring for the environment for students is making a lifelong impression and building the next generation of watershed stewards.



Watershed Project Award

Springboard for the Arts

The Watershed Outreach Program Award is given to an organization that has demonstrated through its policies, practices or projects a commitment to CRWD's mission by connecting residents to clean water practices through education, art and other means. Springboard for the Arts collaborated with the community to reimagine a former used car dealership on University Avenue into a creative community hub they fondly refer to as SpringBOX. It includes office space, a resource center, an indoor-outdoor community space, and plaza with beautiful eye-catching artistic elements everywhere.

The stormwater management features on site are no different. A prominent cistern sits just outside the building's front doors and collects rainwater from a portion of the roof for irrigation and allows it to slowly soak into the lawn. A rain garden also collects water from a nearby parking lot, preventing runoff from carrying pollution from city streets to storm drains and eventually, the Mississippi River.



Watershed Partner Award

Christine Baeumler

The Watershed Partner Award is given to an organization that has demonstrated through its policies, practices or projects a commitment to CRWD's mission by consistently implementing innovative stormwater management solutions. For over a decade, Christine Baeumler has served as CRWD's Watershed Artist in Residence, putting CRWD at the forefront of watershed organizations that have institutionalized the role of art and artists into the fabric of its mission. She brought to CRWD the notion that art, in its many forms, can play an integral role in bringing water back into the conscience of our community and help make our work, much of which is invisible, visible. She also envisioned that art could translate CRWD's scientific work into accessible, interactive, and beautiful pieces or experiences for greater community understanding. She impressed upon staff that art could be the necessary bridge between the technological and social sciences for communicating residents' role in watershed protection and the best practices and behaviors for improving water quality.



Lifetime Stewardship Award

Seitu Jones

The Lifetime Stewardship Award is given to an individual who has played a significant and lasting leadership role in the stewardship of CRWD's water resources.

Seitu Jones is a renowned artist both locally and nationally. He is known for his passion for water, the environment, his community, and justice.

During Seitu's tenure as a CRWD Board Manager from 2005-2020, he would challenge the Board to rethink their approach to clean water by encouraging CRWD to integrate art and artists into project development and program design. Seitu's involvement led the District to strengthen our commitment to communities that we have not been reaching. His thoughtful questioning and encouragement led us to adopt the first art, and diversity, equity, and inclusion plans for a watershed district in the state of Minnesota.

Seitu's love for water and the community is evident across his work with CRWD and beyond, making him a perfect recipient of the Lifetime Stewardship Award.



Photo by Caroline Yang

RECOGNITION & AWARDS

CRWD's 2021 State, Regional and National Recognition

Water Environment Federation National Municipal Stormwater and Green Infrastructure Overall Award
American Society of Landscape Architects Merit Award for General Design of CRWD's Offices

State and National Project and Program Presentations

In 2021, staff presented the work of CRWD at conferences throughout the country, some held virtually due to COVID-19 restrictions.

Mark Doneux

Stormwater Asset Management, Moderator
Opening General Session, Welcome Address

- Water Environment Federation Stormwater Summit

CRWD Building and Allianz Field Tour

- Water Environment Federation Board of Trustees, Watershed Districts

MS4 Forum, Panelist

- Water Environment Federation Technical Exhibition & Conference (WEFTEC)

Mark Doneux and Belinda Gardner

Diversity, Equity, and Inclusion Leadership Forum

- Minnesota Association of Watershed Districts (MAWD) Conference

Anna Eleria

The Stormwater Corps: Integrating Undergraduate Student Training into Municipal Stormwater Retrofit Planning, Panelist

- University of Minnesota Stormwater Seminar Series

Maintaining Green Infrastructure Workshop, Presenter

- Minnesota GreenStep Cities and the Minnesota Pollution Control Agency

Procurement and Contracting Sessions, Presenter

- Minnesota Board of Soil and Water Resources (BWSR) Academy

Belinda Gardner

Proactive Leveraging of Workplace Diversity, Equity, and Inclusion in Utility and Private Organizations, Panelist

- Water Environment Federation Technical Exhibition & Conference

Translating Diversity, Equity, & Inclusion into Systems

Change in Policy & Planning, Presenter

- Minnesota Association of Watershed Districts (MAWD) Conference

CAC, Board and Staff Recognition

Bob Simonet, CAC Member of 5 Years

Gwen Willems, CAC Member of 10 Years

Mike MacDonald, CAC Member of 15 Years

Belinda Gardner, Staff Member of 5 Years

Jessica Bromelkamp, Staff Member of 5 Years

Anna Eleria, 2021 Outstanding Employee Award

Forrest Kelley

Green Infrastructure and Stormwater Management Webinar, Presenter

- Minnesota Brownfields Second Annual Summer Webinar Series



25th Annual Community Peace Celebration at Western Sculpture Park.

OUR WORK

Water Resources

All 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 of the 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. Occasionally 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 1,711 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. However, following an alum treatment in 2020, Como Lake nearly met the state standard for phosphorus in 2020 for the first time on record, and 2021 data showed continued progress towards meeting the standard.

CRWD developed a new management plan for Como Lake that was adopted in May of 2019 to guide future management decisions. This plan focuses on adaptive management of both external (projects outside of the lake that affect what enters the lake) and internal



Native aquatic plants were transplanted into nursery enclosures around Como Lake.

OUR WORK

Water Resources (cont.)

(projects inside the lake that focus on plants/animals/sediment conditions) actions that can be taken to achieve desired water quality goals. Construction of two water quality projects at Como Golf Course were completed in 2021 to help address external loading of phosphorus before stormwater runoff flows to the lake.

In March 2021, the District completed an herbicide treatment on the lake to continue to reduce the amount of curly-leaf pondweed, an invasive species. With the decline of curly-leaf pondweed in Como Lake, CRWD and the Minnesota Department of Natural Resources (DNR) are working to create a more diverse aquatic plant community in the lake by transplanting a variety of native plant species. In September 2021, over 500 individual plants were transplanted into Como Lake from a list of ten different native aquatic plant species. Four fenced-in enclosures were constructed around the lake to serve as nurseries for the transplanted aquatic plants. The enclosures protect the plants from fish, wind, wave action, and human disturbance so they can take root, grow, and eventually produce more plants. CRWD is closely monitoring the nurseries to see how the plants establish in their new environment.

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 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. 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. Because the lakes receive only a small amount of local drainage, their water quality has generally been good with very good lake clarity. In recent years, however, the water quality in both Crosby and Little Crosby Lakes has fluctuated due to extended inundations from Mississippi River flooding.



Staff observed low water levels at Little Crosby Lake in August 2021.

OUR WORK

Water Resources (cont.)

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

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 in Marydale Park at the intersection of Maryland Avenue and Dale Street in Saint Paul. Loeb Lake is stocked with fish and is a DNR 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 and monitoring of the site continued in 2021.

Lake McCarrons

Lake McCarrons is a 75-acre lake located in the City of Roseville. With a maximum depth of 57 feet, 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.

In recent years staff began observing an increase in bottom phosphorus levels, which can increase surface phosphorus measurements and degrade water quality over time. In April 2020, CRWD adopted a new management plan for Lake McCarrons that will continue to focus on nutrient management and re-examine the effectiveness of the alum treatment for long-term lake water quality improvements.



Lake McCarrons sunset.

OUR WORK

Projects

Projects with the logo received grant funds from the Minnesota Clean Water, Land and Legacy Amendment administered by the Minnesota Board of Water and Soil Resources (BWSR).



Como and McCarrons Curb-Cut Rain Gardens

In 2021, CRWD continued the successful Curb-Cut Rain Garden program which began in the Hamline-Midway neighborhood of Saint Paul in 2014.

Curb-cut rain gardens are becoming increasingly popular and the number of residents requesting a project for their property is on the rise throughout the District.

CRWD partnered with Ramsey County Soil & Water Conservation Division (RCSWCD) to construct 21 rain gardens in the Lake McCarrons and Como Subwatersheds in 2021. The rain gardens capture polluted water from city streets and remove an estimated 6 lbs. of total phosphorous, 2,700 lbs. of sediment, and over 900,000 gallons of runoff each year. Adjacent property owners are responsible for maintenance over the next 10 years to sustain the water quality benefits these rain gardens provide.

ABOUT THIS PROJECT

Phase: Completed in 2021

CRWD funding: \$68,000

Clean Water Fund grant: \$143,000

Water bodies: Como Lake and Lake McCarrons

Area drainage: 10.3 acres

Water treated each year: over 900,000 gals.

Sediment removed each year: 2,700 lbs.

Phosphorus removed each year: 6 lbs.



Curb cut rain gardens capture and clean polluted water from city streets.

OUR WORK

Projects (cont.)

Midway Peace Park

In summer 2021, City of Saint Paul Parks and Recreation Department held a grand opening for the Midway Peace Park. The park's construction was substantially completed in fall 2020. The park brings welcomed green space to the Midway neighborhood and will serve as a community gathering space for a diverse array of neighbors including residents of the Skyline Tower, Green Line travelers, and students at the nearby Gordon Parks High School and High School for the Recording Arts.

The three acre Midway Peace Park features a play area, walking trails, local art, a basketball court, and 73 new trees. CRWD provided grant funds to construct multiple innovative green infrastructure practices that exceed permit requirements. These features include rain gardens and a unique above-ground channel that captures and recirculates rainwater. One and a half

ABOUT THIS PROJECT

Phase: Completed in 2021

CRWD funding: \$295,000

Water body: Mississippi River

Area drainage: 3 acres

Water treated each year: 1.5 million gals.

million gallons of polluted runoff will be prevented from reaching the Mississippi River each year. Beautiful interpretive stormwater signs in the park were created and translated into five languages.



Stormwater channel and interpretive sign.

Projects (cont.)

Sustainable Stormwater Management at Highland Bridge

Highland Bridge, a new community in Saint Paul at the site of the former Ford Assembly Plant, is one of the largest redevelopments in the Twin Cities. The City of Saint Paul, master developer Ryan Companies, and partners like CRWD took the time to carefully plan energy, waste, transportation, landscape, and water needs for the new community. The Ford Site Zoning and Public Realm Master Plan, which includes a comprehensive stormwater management approach, was adopted by the Saint Paul City Council in 2017.

Work on-site to construct streets, utilities, and stormwater management practices began in spring of 2020 and continued throughout 2021.

Several large clean water practices both at the surface and underground will capture and filter stormwater runoff from the 122-acre site to reuse in the central water feature and re-imagined Hidden Falls Creek. A series of five large concrete chambers will store

ABOUT THIS PROJECT

Phase: Active construction

Percent completed: 90%

Estimated end date: 2022

CRWD funding: \$1,721,063

Water body: Mississippi River

Area drainage: 122 acres

Water treated each year: 64 million gals.

Phosphorus removed each year: 145 lbs.

stormwater runoff. The water will pass-through filters before feeding the central water feature. The storage capacity will provide consistent water flow in the central water feature and reduce erosion downstream.



The central water feature at the new Highland Bridge community receives filtered stormwater from the site.

Projects (cont.)

In addition to the underground storage and filtration practices there are several large rain gardens that will collect and filter stormwater runoff for the central water feature. Rain garden plants will provide beauty and wildlife habitat while helping clean water as it passes through the soil. Combined, the stormwater systems will capture and clean 64 million gallons annually. This will prevent an estimated 55,200 pounds of total suspended solids and 145 pounds of phosphorus from entering the Mississippi River each year. Prior to redevelopment, polluted stormwater from this site would travel to the river without any treatment. This project reduces total suspended solids by 94% and total phosphorus by 75%, a big improvement for water quality. By cleaning and reusing stormwater in the central water feature, rain becomes a resource instead of a waste product.

The central water feature will be an open water channel in the middle of the site that will receive filtered

stormwater. It will be surrounded by green space and provide many types of recreation opportunities. Water from the central water feature will flow south to a reimagined Hidden Falls Creek, buried underground over a century ago when the land was first developed.

The reimagined Hidden Falls Creek will flow to Hidden Falls Regional Park through a tunnel underneath Mississippi River Boulevard. The 90-foot tunnel will connect the park with the Highland Bridge redevelopment. Adjacent to the creek, a paved pedestrian and bike path will end at a terrace overlooking Hidden Falls. CRWD will contribute grant funds for this portion of the project in addition to providing funds for the stormwater management.

By the end of 2021, the majority of the water features were nearing completion. The projected opening of parks and public open spaces is later in 2022.



The stream section of the reimagined Hidden Falls Creek.

OUR WORK

Projects (cont.)



Como Golf Course

In 2018, CRWD began designing two stormwater treatment Best Management Practices (BMPs) within Como Park to treat runoff from the park as well as neighborhoods whose runoff goes through the park before flowing to Como Lake. Retrofitting the stormwater pond at the northwest 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 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.

ABOUT THIS PROJECT

Phase: Completed in 2021

CRWD funding: \$1,138,523

Clean Water Fund grant: \$660,000

Water body: Como Lake

Area drainage: 744 acres

Water treated each year: 37 million gals.

Total Phosphorus removed each year: 55.1 lbs.

Designs were finalized and advertised for bids in early 2020, and construction started in July. Substantial completion of major construction occurred in the fall of 2020, and final completion occurred in spring of 2021.



CRWD staff inspects the iron-enhanced sand filter at the Como Golf Course pond.

OUR WORK

Projects (cont.)



Seminary Pond Stormwater Improvements

Seminary Pond is a vital regional stormwater system that conveys runoff from a 128-acre subwatershed in the Cities of Lauderdale, Falcon Heights, and Saint Paul, Minnesota. The pond was created in 1994 and was originally designed to move and temporarily store water runoff. It has provided limited flood control and minimal treatment of polluted water going to the storm sewer system and the Mississippi River.

CRWD, the Cities of Lauderdale and Falcon Heights, Ramsey County, and the University of Minnesota worked together to make improvements to Seminary Pond to minimize flooding and remove an estimated 4,520 pounds of sediment and 10.3 pounds of phosphorous from entering the Mississippi River annually. Construction of the project began in fall 2020 and concluded in spring 2021. Completed construction activities include removal of 3600 cubic yards of sediment from the pond, expansion of pond capacity and creation of a permanent, shallow wet pond and installation of two iron-enhanced sand filters to remove

ABOUT THIS PROJECT

Phase: Completed in 2021

CRWD funding: \$289,000

Clean Water Fund grant: \$245,000

Partner contributions: \$187,000

Water body: Mississippi River

Area drainage: 128 acres

Sediment removed each year: 4,520 lbs.

Total Phosphorus removed each year: 10.3 lbs.

dissolved phosphorus. In addition, the main channel and a storm sewer pipe leading to the pond were stabilized and improvements were made to three eroded slopes upstream of the pond. In late spring 2021, the project site's wetland and upland areas were restored with native trees and plants. Informational signage was installed in fall 2021.



CRWD staff inspect Seminary Pond.

OUR WORK

Projects (cont.)

Phalen Creek Daylighting

In early 2019, CRWD funded a preliminary Phalen Creek Daylighting Feasibility Study in partnership with Lower Phalen Creek Project (LPCP), Ramsey-Washington Metro Watershed District (RWMWD) and the City of Saint Paul. The study explored options to daylight the historic creek channel between Lake Phalen and the Mississippi River.

The effort falls under CRWD's goal of "Bringing Water Back". In 2020, CRWD and partners (including LPCP, RWMWD, Metropolitan Council, Ramsey County, and the City of Saint Paul) completed an additional study on a focused area along part of the Rush Line corridor, a bus rapid transit project by Metro Transit and Metropolitan Council planned for 2024-2026. The study developed preliminary design recommendations for daylighted portions of the historic Phalen Creek in the Rush Line corridor. Co-located stormwater management practices for the Metro Transit project are expected to be included in the design occurring in 2022. Ongoing coordination with community and agency partners will continue as we work towards our shared goals.

ABOUT THIS PROJECT

Phase: Planning

Percent completed: 30%

Estimated end date: 2026

CRWD funding: \$43,469 planning funds to date

Water body: Mississippi River



Rendering of Phalen Creek along Phalen Boulevard from the 2019-2020 detailed daylighting study.

Projects (cont.)

Science Museum of Minnesota

In 2018, the Science Museum of Minnesota (SMM) contacted CRWD to discuss their plans to make improvements to the exterior of their facility in downtown Saint Paul. SMM's Water Planet Initiative aims to align all museum programming to raise awareness of issues related to water. A partnership was formed between SMM and CRWD to conduct a stormwater feasibility study of the museum campus to identify opportunities to install and promote water conservation practices at three key areas of the museum: Kellogg Plaza, the Big Backyard and Elements Café.

A variety of opportunities were identified including a green roof with enhanced pollinator habitat, rainwater capture and use for irrigation and educational water features, native vegetation, and residential-scale stormwater BMP demonstrations. A report was developed that provided conceptual renderings, cost estimates, and water quality improvement calculations. A second phase of investigation into

ABOUT THIS PROJECT

Phase: Feasibility Study completed in 2021

CRWD funding: \$72,000

Partner funding: \$24,000

Water body: Mississippi River

Potential water use reduction each year:
240,000 gals.

Site size: 11 acres

rainwater harvesting for irrigation began in 2021 and will conclude in 2022. CRWD and SMM will be continuing conversations about advancing designs and project funding while waiting for more information on upcoming projects in downtown Saint Paul that may impact the site including the Great River Passage/River Balcony and Kellogg Bridge reconstruction.

Conceptual Stormwater Design | Kellogg Plaza



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. The systems were separated in 1988. Today, TBI carries rainwater and snowmelt from city streets, parking lots and other hard surfaces to the Mississippi River.

In 2020, CRWD began designing repairs for over 2,000 linear feet of tunnel, which is generally in fair to poor condition. Typical defects in the tunnel include deteriorating concrete, exposed surface reinforcement, cracks and fractures and sediment build up. Construction of repairs began in December 2021 and will be completed by spring 2022. Estimated project costs are \$970,000.



CRWD staff inspect the TBI Repair project.

OUR WORK

Communications and Engagement

General Outreach

The goals of the Communications and Engagement 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. Staff, partners, and volunteers collaborated with over 8,500 residents through in-person or virtual platforms as part of over 100 public events, trainings, presentations, resource assistance, school visits, field trips and tours within the District.

Much of the District's engagement work continued to be conducted virtually in 2021 due to COVID-19 concerns, however we were able to participate in some outdoor events and continue to be proud of the work we and our partners have done during these challenging times.

Adopt-a-Drain

CRWD continued 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. In 2021, the program had

Communications & Engagement

8,500 residents engaged

100 public events, trainings, presentations, resource assistance, school visits, field trips and tours within the District

14 newsletters to residents

55,597 website page views

Adopt-a-Drain

31,000 lbs. of material near storm drains removed by volunteers!

12 lbs. of total phosphorus prevented from flowing to the Mississippi River

141 new Adopt a Drain volunteers

321 new storm drains adopted in the District

141 new participants. There are now over 2,800 storm drains adopted in the District with 2,700 in Saint Paul, 133 in Roseville, 31 in Falcon Heights and 3 in Maplewood. In 2021, volunteer efforts reported removing over 31,000 pounds of leaves, grass, sediment and trash from storm



Center for Hmong Arts and Talent CHAT About Water event and performance. 2021 Partner Grant.

OUR WORK

Communications and Engagement (cont.)

drains and prevented over twelve pounds of total phosphorus from flowing into the Mississippi River.

Throughout the year, Adopt-a-Drain participants are encouraged to report their work via a bimonthly email newsletter that also features stories about participants in the metro area, drain cleaning tips and best practices, the latest reporting statistics, and other Adopt-a-Drain news. In addition to electronic communication, a postcard was sent to all participants who had not yet reported their work in December.

In September and October, Adopt-a-Drain doorhangers were distributed to three areas in Saint Paul with recently completed street reconstruction projects. These areas fell within the Mississippi River Boulevard, Trout Brook and West Seventh subwatersheds. In total, 312 new drains were adopted in CRWD in 2021.



Frogtown Green Water Protector medallion art kit, 2021 Partner Grant.

Minnesota Water Stewards

CRWD completed its sixth year of the Minnesota Water Stewards program in partnership with Freshwater. 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.

As of 2021, 445 residents have 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 20 individuals who have completed the certification and live within the District. Training courses for the 2021 class concluded in April. After finishing the training curriculum, Stewards began their Capstone Projects. Projects included restoration work at Willow Reserve and rain garden maintenance at Frogtown Farm and Linwood Recreation Center, two previous CRWD Stewardship Grant sites. The graduated stewards reported over 235 hours of volunteer services in 2021 that included boulevard rain garden inspections, on-site home consultations with grantees and rain garden restoration work. Engagement continued to be a challenge in 2021 but many of CRWD's Water Stewards participated in several virtual group check-ins and native seed collection and distribution events as well as our rain garden maintenance workshop.

Minnesota Water Stewards

- 5** new water stewards
- 20** graduated water stewards
- 235** hours of volunteer service in 2021

Communications and Engagement (cont.)

Field Guide for Working with Artists

In 2021, CRWD finalized The Field Guide for Working with Artists. The document outlines recommendations and existing models of working with artists to facilitate integrating art and artists into the work of CRWD. Integrating art and artists into the projects and programs of CRWD helps us achieve our mission by creating connections between water resource managers, engineers, community partners and our residents, resulting in more clean water projects and actions. The Field Guide provides a roadmap for CRWD staff and Board Managers to do this work and covers a broad range of art approaches that include a residency model, short term engagement, internships, commissions and inclusion of artists on project teams.

A PDF of the guide is available on our website:
capitolregionwd.org/working-with-artists-for-clean-water



Urban Farm and Garden Alliance Children's Garden Water Lessons,
2021 Partner Grant

Debris Tracker and Mississippi River Plastic Pollution Initiative Pilot

In 2021, CRWD participated in the Mississippi River Plastic Pollution Initiative pilot organized by The United Nations Environment Programme (UNEP) North America Office, the Mississippi River Cities and Towns Initiative (MRCTI), the University of Georgia's Debris Tracker, National Geographic Society and other local and national partners. Data on trash and plastic pollution was collected through a 'citizen science' approach using Debris Tracker, an open data citizen science movement and free mobile phone app. Saint Paul, along with Baton Rouge, Louisiana and Saint Louis, Missouri were the three cities participating in the pilot with the goal of generating a clearer picture of the litter that makes its way to the river.

In the pilot year of this partnership, over 5,000 pieces of litter were collected and tracked using the Debris Tracker app in nearly 100 cleanup efforts. Seventy percent of this debris was labeled as plastic of some type. We know this is only a fraction of the litter in our watershed that has been collected by multiple community groups, individuals and events. The District will continue to explore supporting and tracking litter and cleanup efforts.

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. Cleanwatermn.org features seasonally appropriate stories about metro area residents taking action at home and in their lives to keep Minnesota waters clean. Six stories were written for partners to use in communications via social media, websites and newsletters in 2021. A system of trackable links allows partners to measure engagement. The website also features an interactive "Find my Watershed" map tool, calls to action, educational resources and a list of partners.

Adopt-a-Drain is available to residents in the Twin Cities Metro Area, Rochester and Saint Cloud. Program membership grew to more than 9,100 participants who have adopted more than 14,000 storm drains.

OUR WORK

Communications and Engagement (cont.)

The expansion continues to elevate the program's visibility and encourage CRWD residents to participate. In addition to the website, customizable print and electronic resources are available for partners to promote the program. Three special promotional events were held in 2021. The first to celebrate the Earth Day Birthday, a refer-a-friend campaign in July and a fall clean-up and tote bag giveaway in October.

A new Adopt-a-Drain Brand Standards and Marketing Materials User Guide was made available to partners enabling members to use Adopt-a-Drain graphics to create and order promotional materials such as hats, water bottles and tote bags.

Winter Roads and Turfgrass Maintenance Workshops

CRWD partnered with Fortin Consulting to host Winter Roads Maintenance Workshops to certify 20 Saint Paul

Public Works snowplow operators. The District also hosted one-hour refresher sessions for 60 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.

Website Accessibility

In 2021, CRWD worked with a local company to complete a manual accessibility audit of a sampling of capitolregionwd.org webpages. Of the issues noted, many were resolved by staff. Improvements to the District's digital information and services will continue in 2022. CRWD strives to have equal access to information and services for all residents and stakeholders.



Great River Greening Hidden Falls Restoration. 2021 Partner Grant.

OUR WORK

CRWD Grant Programs

Stewardship Grants

CRWD values collaboration with individuals and organizations. We view 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
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 clean water projects, such as rain gardens and shoreline restorations.

In 2021, 26 grants totaling \$242,106 were awarded through the Stewardship Grant program for projects throughout CRWD. Projects included rain gardens, permeable pavement, boulevard curb-cut gardens, cisterns, and a native plant conversion. Site evaluations and Clean Water Proposals with recommended BMPs were completed for 95 participants and construction plans were developed for 31 future projects. BMPs are activities, practices and structures that reduce the

2021 Grants

26 Stewardship Grant awards: \$242,106

4 Well Sealing Grant awards: \$3,000

18 Partner Grant awards: \$140,500

impacts of stormwater runoff. Installations included a series of large boulevard rain gardens with innovative pre-treatment structures designed to capture sediment. These structures will drastically reduce the time needed for maintenance and improve the longevity of the rain gardens. Larger Stewardship Grant projects completed in 2021 include a rain garden and rainwater harvesting and reuse system at SpringBOX, the new office for Springboard for the Arts along University Avenue in Saint Paul, a combined solar and green roof at the Zero Abuse Project headquarters in Downtown Saint Paul, and a new rain garden at Bang Brewing located in the Creative Enterprise Zone in Saint Paul.

Well-Sealing Grants

Abandoned wells pose a threat to public health since they provide a direct pathway for contaminants to enter groundwater. Groundwater is a source of drinking water for thousands of people in the metro area. Abandoned Well Sealing Grants are available to residents within the District who have a well that is no longer in use on their property. Wells must be sealed by a licensed well contractor. In 2021, 4 Well Sealing Grants were awarded, totaling \$3,000.



A large boulevard rain garden on a street corner captures runoff from two directions.

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 its Communications and Engagement Plan. Eighteen proposals were approved for 2021 Partner Grant funding totaling \$140,500. Partners continued to adapt to

COVID-19 precautions and find alternative means of engagement. Many projects focused on outdoor activities such as a children's gardening and water education program and community cleanup events. We also continued to see outreach projects that were virtual or included self-led components such as water science and art kits available at kiosks in park spaces and native seed collection and growing workshops online.

Organization	Project Name	Funding
Friends of the Mississippi River	Youth Environmental Stewards Program & Trout Brook Initiative	\$11,780
Gita Patina LLC	Urban Water Seek & Discovery Our Water Treasure Hunt	\$4,375
MN Horticultural Society	MN SEED Project: Garden Stewardship with Native Plants	\$5,235
Parkview Center School	Watershed Education	\$8,000
Public Art Saint Paul	eARTh Lab Workshops at Western Sculpture Park	\$8,000
Urban Farm and Garden Alliance	Children's Gardening Program Water Series	\$5,860
YMCA Greater Twin Cities	Mobile Day Camps at Hidden Falls Regional Park	\$12,000
Urban Roots	Urban Roots Youth Employment Program	\$12,000
Saint Paul Parks and Recreation	BIPOC Parks Ambassadors + Story Strolls	\$10,000
Rice & Larpenteur Alliance	Connecting Community to Lake McCarrons with Public Art	\$10,000
Great River Greening	Hidden Falls Park Restoration and Virtual Education	\$7,000
Growing Green Hearts	Connect the Drops in CRWD Church Neighborhoods	\$10,000
Center for Hmong Arts and Talent	CHAT About Water	\$8,500
City Academy	Watershed Education	\$3,100
Como Community Council D10	Como Lake Clean-up	\$5,000
Frogstown Green	Water Stewardship Demonstration and Education	\$2,650
Lower Phalen Creek Project	Finding the Daylight: Visualizing Phalen Creek	\$8,500
Springboard for the Arts	Community Engagement	\$8,500
TOTAL		\$140,500

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 212,000 residents and approximately 50% impervious land cover.

Finalized at the end of 2018 and used extensively since its creation, the online Water Data Reporting Tool was developed by CRWD Monitoring, Research, and Maintenance staff. This website provides an online interface to obtain data for all monitoring stations in CRWD, as well as provide customizable reporting.

Find the Water Data Reporting Tool online:
capitolregionwd.org/monitoring-research/data

Monitoring locations

Of the 16 major subwatersheds in CRWD (see map on next page), seven are currently monitored for water quantity and quality (Saint 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 22 monitoring sites in 2021. At eight of these stations, samples were collected during baseflow and stormflow periods.

Samples were only collected during stormflow periods at the remaining 14 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 of the 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, 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.

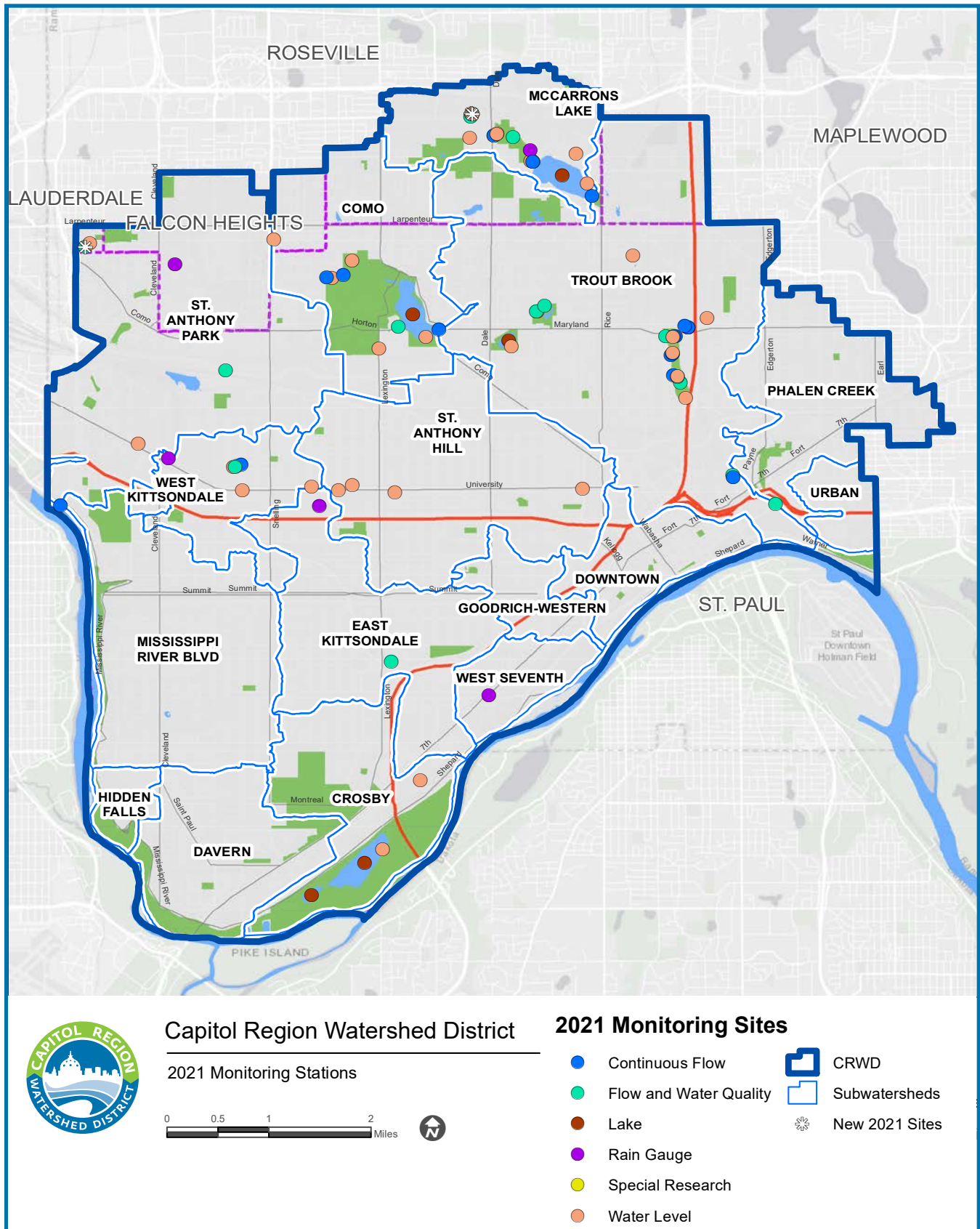
CRWD monitored 11 District wetlands in 2021 for plants. Previously, the plant and macroinvertebrate data collected was used to determine an Index of Biological Integrity for each wetland, which evaluates and indicates general wetland health on a numerical scale based on other large depressional wetlands 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.



Winter monitoring at Como Lake.

OUR WORK

Stormwater Monitoring Stations



OUR WORK

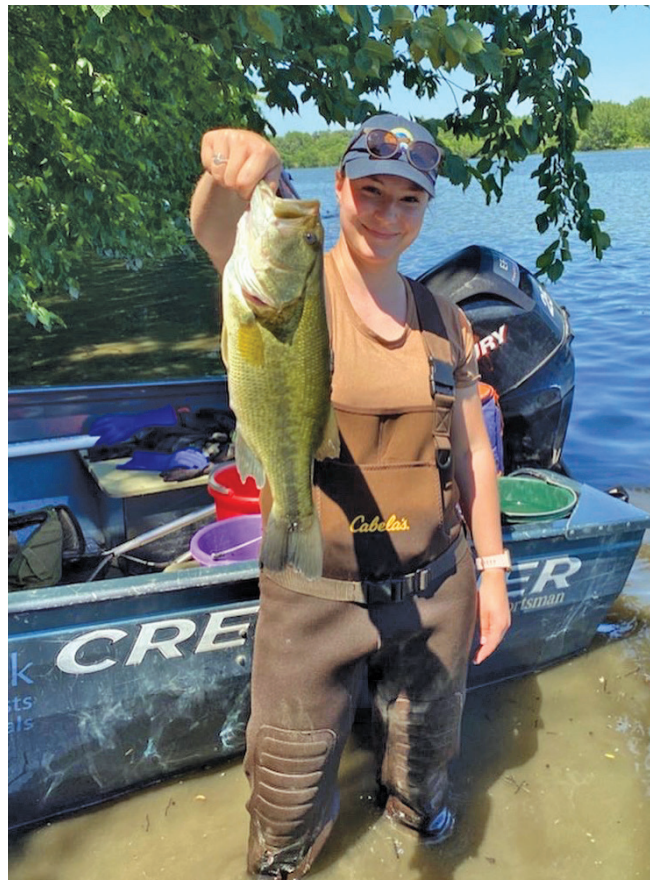
Water Quality Monitoring (cont.)

2021 Climatological Summary

Precipitation for the 2021 calendar year was below average in the Twin Cities, with 25.08 inches of precipitation recorded in CRWD. This was 6.54 inches below the 30-year average. The most intense rainfall period of 2021 occurred from September 2 to September 3. Rainfall occurring in this period contributed approximately 5% of the yearly total with 1.16 inches, including one of the three highest rainfall amounts in one day with 1.09 inches on September 3. Overall, the winter of 2020-2021 (November 1, 2020-March 31, 2021) recorded below normal snowfall. The snowfall total was 31.1 inches; 20.1 inches lower than the 30-year average of 51.2 inches. There was a consistent snowpack from late November through early March, and area lakes exhibited earlier-than-average ice-off timeframes, which occurred around March 23.

Lakes Results Summary

In 2021, water quality varied in each of CRWD's five lakes. Como Lake has never met the eutrophication (an overabundance of nutrients in the water) standard for total phosphorus, rarely met the standard for chlorophyll-a (indicator of algae in the water), but generally met the standard for Secchi disk depth (measure of water clarity) for the history of monitoring. While it again did not meet the standards for total phosphorus or chlorophyll-a in 2021, Como Lake showed immense improvement in these two measures as a result of management actions conducted in 2020 and 2021 to improve water quality. Crosby Lake and Little Crosby Lake did not meet the state standard for total phosphorus in 2021 but met the standards for chlorophyll-a and Secchi disk depth. 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 these lakes can occur as a result of extensive river flooding in the spring and early summer. Loeb Lake and Lake McCarrons met all eutrophication standards in 2021. Loeb Lake has met the standards for its entire monitoring history, and Lake McCarrons has met the standards since an alum treatment occurred in the lake in 2004.



Fish survey at Como Lake.

Monitoring and Research

- 122** water quality and quantity monitoring sites
- 11** new monitoring sites added in 2021
- 23** full water quality sites
- 6** rain gauges
- 3** lake water quality sites

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.

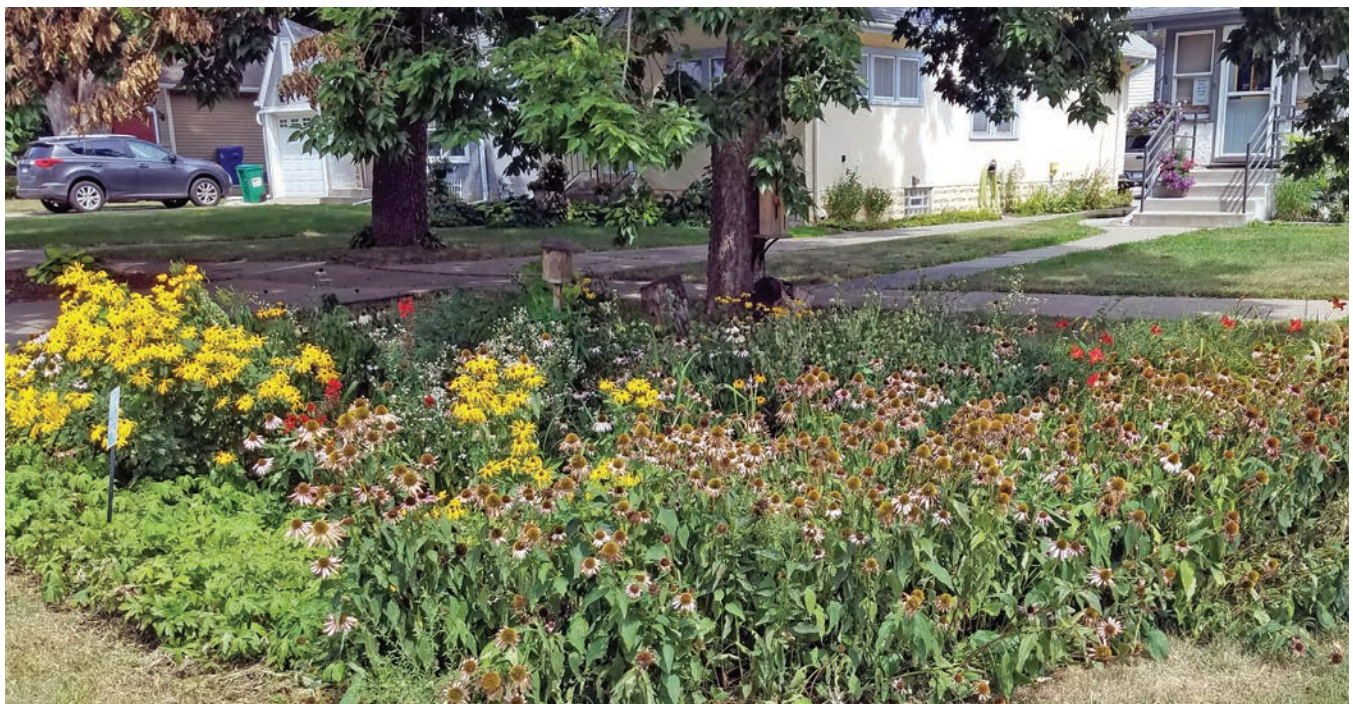
Regular inspection and maintenance of all the BMPs and pretreatment units is coordinated by CRWD. Maintenance is crucial to ensure the BMPs are functioning properly. CRWD receives assistance with maintenance of some of the BMPs from volunteers and other government entities. In 2021, most of the maintenance 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 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.



Arlington-Pascal Rain Gardens.

BMP Maintenance and Monitoring (cont.)

CRWD conducts monthly inspections to ensure the BMPs are functioning as designed and a private contractor performs maintenance of the seven smaller Arlington-Pascal curb-cut rain gardens. The City of Saint Paul works with a Conservations Corps crew to maintain one of the larger rain gardens and a vegetated buffer surrounding the stormwater pond.

Maintenance crews have removed over 4,000 gallons of gross solids including sediment, leaf litter, and other organic matter from the rain gardens since they have been built.

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 the entire project reduces 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 each year. 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. In 2020, staff wrote a report that analyzed data collected from the side street rain gardens and stormwater planters that showed that these practices are capturing a greater percentage of storms and a larger overall runoff volume than the modeled data predicted. CRWD completed the

monitoring of these side street practices in 2021 and will be completing a final analysis of the data collected from 2014 through 2021.

CRWD conducts monthly inspections to ensure that the BMPs are functioning as designed. Maintenance of the fourteen rain gardens and stormwater planters is performed bi-monthly by a private contractor. Trash and sediment removal along the Green Line are common maintenance needs. Additionally, the sediment depth that accumulates in the sumped catch basins installed as pre-treatment in a subset of the side street practices is measured and removed annually in the spring and fall.

Highland Ravine

Highland Ravine is a 50-acre woodland bluff area that rises from Lexington Avenue up to Edgemoor Road with residential properties at its top and base and City of Saint Paul parkland to the south. While the bluff is a naturally steep slope, it has been incised with gullies over time because of natural groundwater springs and stormwater runoff. In recent years groundwater springs have been a constant source of water flowing nearly year-round. In response to concerns raised by residents, CRWD completed a slope stabilization and restoration project in 2014. The stabilization practices constructed included rock grade control structures to slow down runoff, brush bundles for stabilizing the side slopes and a stormwater pond in the north ravine to detain runoff and allow sediment to settle out before runoff discharges to the local storm sewer system.

Maintenance of the Highland Ravine stabilization project is performed by a private contractor. The maintenance crews focus on stabilizing the ravine through invasive species removal and native vegetation establishment. CRWD inspects the ravine monthly to ensure that restoration goals are being met.

In 2021, maintenance efforts included invasive species management of garlic mustard, burdock, Japanese knotweed, and reed canary grass. Additionally, approximately two cubic yards of accumulated sediment were removed from the lower reaches of Ravine Three to allow for pooling of water in the rock grade control structures as designed.

OUR WORK

BMP Maintenance and Monitoring (cont.)

CRWD Office BMPs

CRWD moved to a new office location in 2018. The new office property includes two adjacent parcels in a residential area of the Midway neighborhood in Saint Paul. Both parcels are outfitted with several BMPs which provide the dual purpose of improving water quality and serving as a demonstration site for visitors and residents. The BMPs onsite include three large rain gardens, a large area of native plantings (both seeded and landscaped), tree trenches, an underground infiltration system, pervious pavers, and a rainwater capture and reuse system that is used to flush toilets and feed a small pond feature. Collectively, these BMPs capture and clean 100% of runoff leaving the site.

In 2021, a private contractor was hired to perform routine maintenance of the various BMPs onsite. Maintenance activities included weed control of the native plantings, trash cleanup, and cleaning of the catch basins. CRWD staff began monitoring in 2019 at multiple locations throughout the property to evaluate the performance of these various BMP types.

Willow Reserve Restoration

Willow Reserve is a 23-acre bird and wildlife reserve located along Maryland Avenue between Arundel and Virginia Streets. From 2017-2020, CRWD led significant restoration activities to remove invasive trees and plants and create more diverse plant communities

to support local wildlife including birds, amphibians, and insects. Restored land cover types include Upland and Lowland Forest, Mesic Prairie, Wet Prairie/Wet Meadow, Marsh, and Open Water. The wetland area 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, but CRWD is committed to providing vegetation maintenance assistance for several years to ensure restoration success.

In 2021, CRWD hired a contractor to manage invasive species including reed canary grass, common tansy, burdock, buckthorn, and garlic mustard. The contractor also collected brush that had been deposited onsite and worked with the City of Saint Paul to remove it.

CRWD continued discussions with City of Saint Paul to formalize the trails by adding sections of boardwalk around the Reserve. Additionally, planning of interpretative signage began in 2021 with plans to install in fall 2022.

CRWD has led the monitoring of the Willow Reserve wetland area since 2007, which includes both macroinvertebrate and aquatic plant surveys. Beginning in 2020, CRWD began monitoring the water quality at both the inlet and outlet of the open water wetland system to better understand how the wetland impacts water quality flowing back into the Trout Brook storm sewer system.



Native plants at Willow Reserve.

BMP Maintenance and Monitoring (cont.)



Parkview Center School Clean Water Project

CRWD installed a system at Parkview Center School in Roseville that collects and filters polluted rainwater from the County Road B storm sewer. The system consists of 10-foot diameter underground pipes that capture runoff from the 46 acres upstream of the project site. The polluted water is then treated by an underground filtration system. Water is cleaned as it moves through the filters, removing pollutants before it returns to the storm sewer and eventually Villa Park wetlands and Lake McCarrons. In the fall of 2021, CRWD worked with the City of Roseville to clean out the pretreatment structure for this system. CRWD also worked with the project engineer and manufacturer to inspect the amount of sediment accumulation in the underground system to identify future long term maintenance needs and timing.

CRWD staff began monitoring in 2020 after the system was fully online to provide data on the performance of the system, analyze the performance of the underground filtration system, and understand when maintenance is required, or the system is not functioning as intended.



Allianz Field Comprehensive Stormwater Management System

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 Snelling and University superblock as part of the soccer stadium construction. That partnership carries on in the

form of a cooperative agreement with Saint Paul Public Works reimbursing CRWD for costs incurred to manage operations and maintenance of the rainwater harvest and reuse system below the "Great Lawn" just north of the field. CRWD contracts with a private company to ensure treatment components with the vault are functioning to filter and disinfect the rainwater before being used to irrigate the landscaping within the Snelling-Midway superblock. 2021 was the second full year of CRWD managing the contractor.

Stewardship Grants

Hundreds of BMPs have been installed throughout CRWD with the Stewardship Grant program. Each project owner is responsible for the maintenance of their own respective BMPs. CRWD conducts annual inspections of projects that have been completed in the past five years to ensure maintenance agreements are being upheld and provides feedback and technical assistance to grant recipients. In 2021, CRWD inspected 240 Stewardship Grant BMPs. 84% of these BMPs received an "A" or "B" rating, meaning that no or few improvements were needed to meet BMP design performance. The most common maintenance needs for Stewardship Grant BMPs were weed removal and inlet cleanout.

Stewardship Grant Inspections

240 Stewardship Grant project inspections

84% of inspections received an A or B rating



Hydro-vacuuming the system at Parkview Center School.

OUR WORK

Watershed Rules and Permitting

Watershed Rules

Water quality and stormwater management rules (Rules) were originally 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. No Rule revisions were adopted in 2021. An implementation policy for the permitting of Manufactured Treatment Devices (MTDs) was adopted by the Board in May 2021. These MTDs filter stormwater runoff through various proprietary means and are now permitted as one option for permanent stormwater treatment with a 68% credit when documenting dissolved phosphorus removal.

Other Rules also provide for erosion and sediment controls, wetland protection, flood control, illicit discharge, and connection management to CRWD's Trout Brook Interceptor.

Illicit Discharge Detection and Elimination Priority Area Mapping

CRWD's Illicit Discharge Detection and Elimination (IDDE) program progressed to the stage of preparing an inventory of priority areas that are at higher risk for illicit discharges. The Board approved this priority map and technical memo in December 2021. Additional training and inspection efforts are expected to be developed in 2022.

Illicit discharge is the disposal or discharge of pollutants and non-stormwater materials into a storm sewer system via surface flow, direct dumping into the storm sewer or water body, or through illegal connections to the storm sewer system. The storm sewer systems within the District will not remove pollutants. Pollutants dumped in the street or in a storm drain

Permitting

1,180 permit inspections in 2021

37 permit applications

21 permits closed

101,171 gallons of stormwater runoff treated

will ultimately end up in our lakes, streams, wetlands and the Mississippi River. Types of illicit discharges can include improper disposal of yard and pet wastes, and auto and household chemicals; construction site sediment; laundry and car wash water; chlorinated pool water; storage tank discharge and leaks; and spills from roadway or railway accidents and vehicle leaks.

In 2021, CRWD completed an effort to map the areas most at risk of illicit discharges in CRWD, in compliance with the Small MS4 General Permit Part 18.10. Each of the 177 sub-sub watersheds (SSWS) within CRWD were scored across eight screening factors. This information was then compared to past illicit discharge complaints received by CRWD or partner Cities for correlations.

CRWD found low correlation between individual screening factors and previous IDDE complaints. The aboveground storage, waste management facilities, and hazardous waste facilities densities, and past enforcement actions were most strongly correlated with IDDE complaints. 16 of the 177 SSWS were identified to be at high risk for illicit discharges. In 2022, there will be follow-up inspections at nine SSWS within CRWD (4 low risk, 1 medium risk, 4 high risk) to check conditions.

Permitting Program

CRWD reviews applications and issues permits to ensure compliance with the standards outlined in its 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 its Rules.

OUR WORK

Watershed Rules and Permitting (cont.)

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, causing pollution from sediment and nutrients. To ensure the proper BMPs are installed and maintained, the District verifies that construction supervisors comply with permit conditions, to minimize sediment-laden discharge. Permitted sites are also inspected to ensure that permanent stormwater BMPs are correctly installed. It is particularly important that these practices are protected from turbid runoff and soil compaction during construction, and that vegetation is properly established. CRWD hired two temporary

seasonal inspectors and continued regular inspections in 2021 with minor procedural adjustments to follow the District's COVID-19 Response Plan.

CRWD's Permitting Program processed 37 new permit applications in 2021. Approximately 50% 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

	2017	2018	2019	2020	2021
Applications Received	25	24	29	37	37
Acres Disturbed	67	66	76	474	114
Acres Impervious	25	45	44	240	55
Alternative Compliance Sites	13	7	13	13	20
Standard Compliance Sites	12	17	17	23	17
Linear Projects	3	4	8	7	6
Total Linear Impervious (ac)	5.6	10.9	22.5	21.77	22.6
Total Linear Treatment (cf)	4894	26313	40,518	35,569	35,924
Infiltration Approved (cf)	21,564	165,733	49,326	135,106	84,042
Filtration Approved (cf)	115,844	7,981	93,662	66,630	17,129
Total Treatment Volume	137,408	173,714	142,988	201,736	101,171
Variances Requested	1	2	1	1	3
Variances Approved	1	2	1	1	3
Incomplete/Withdrawn Applications	2	1	5	0	1

OUR WORK

2021 District Finance Summary

This is a summary of CRWD's financial activities for the fiscal year ending on December 31, 2021. The complete 2021 Annual Financial Report and Audit can be found in Appendix B.

S&P Global Ratings assigned its 'AA' stable 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. A CIP Reserve Fund of \$1,000,000 is established as well. The year-end available Operations fund balance of \$3,352,069 is 62% of budgeted expenditures, which is well in excess of the District's 50% fund balance policy requirement.

Operations

2021 actual revenue of \$5,013,903 was \$225,683 more than budgeted revenue of \$4,788,220. Expenditures in 2021 were under budget. Budgeted expenditures were \$5,368,320 while actual expenditures were \$4,592,766, a difference of \$775,554. The expenditure budget variance was due to several programs and projects that were under budget or projects not starting until 2022. Several of the projects and programs not started were due to the COVID-19 pandemic.

Capital Improvement Program (CIP)

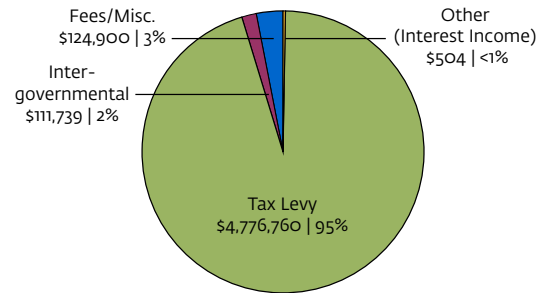
The capital improvement expenditures were under budget by \$2,217,253. This was primarily due to the Trout Brook BMP and the Mississippi River Downtown Subwatershed BMPs project coming in under budget.

Financial Highlights

2021 ended with the District spending approximately 66% of its overall budget. The difference is mainly due to planned projects not starting or coming in under budget.

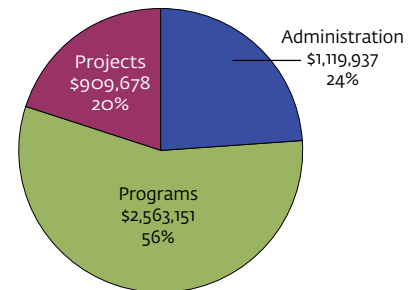
2021 Operations Revenue (actual)

Total \$5,013,903



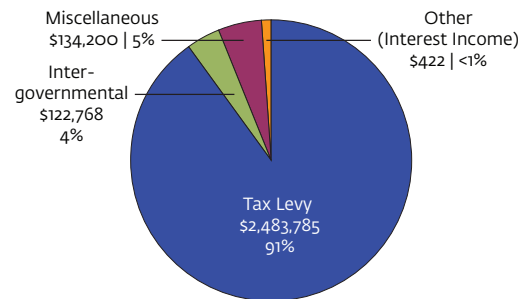
2021 Operations Expenditures (actual)

Total \$4,592,766



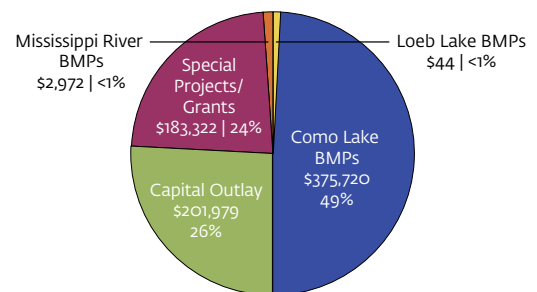
2021 CIP Revenue (actual)

Total \$2,741,175



2021 CIP Expenditures (actual)

Total \$764,037



OUR PLANS

List of terms used on pages 38-46

AIS	Aquatic Invasive Species
BMPs	Best Maintenance Practices
CAAPB	Capitol Area Architectural and Planning Board
GIS	Geographic Information System
H/H	Hydrologic and Hydraulic
IBI	Index of Biological Integrity
IDDE	Illicit Discharge Detection and Elimination
ISW	Industrial Stormwater
MAWD	Minnesota Association of Watershed Districts
MS4	A municipal separate storm sewer system
NPDES	National Pollutant Discharge Elimination System permit
O&M	Operations & Maintenance

Opti RTC	Optimized Real Time Controls
RLC	River Learning Center
ROW	Right of Way
SPS	Saint Paul Streets
SW	Storm Water
TAC	Technical Advisory Committee
TBI	Trout Brook Interceptor, CRWD MS4 storm sewer system
TWP	Targeted Watershed Program, funded through the Minnesota Clean Water, Land and Legacy Amendment and administered by the state's Board of Water and Soil Resources (BWSR)
WISKI	Water Information Systems by KISTERS (WISKI), online database

2021 Year In Review

Below is a complete list of 2021 CRWD projects.

Fund Name	Project Name
Adminstration	General Administration
	595 Aldine Operations
	1736 Thomas Operations
	MAWD
	Community Advisory Committee
	External Funding Opportunities
	Safety Program
	Diversity and Inclusion Program
	Administrative Allocation
Regulatory Program	General Permitting Implementation
	Coordinated Erosion and Sediment Control
	Permittee Post Construction BMP Inspections
	Engagement Activities with Permittees
	Rules Evaluation and Update
	Illicit Discharge Detection and Elimination
	Industrial Stormwater Permittee Coordination
	Water Reuse Policy Support

OUR PLANS

2021 Year In Review (cont.)

Fund Name	Project Name
Grants Program	Stewardship Grants
	ROW Projects-Boulevard Rain Gardens
	Stewardship Grant Outreach
	Grant Project Inspection and Maintenance
	Well Sealing Grants
	Large-Scale Site Planning Grants
	TWP-Boulevard Raingardens
Monitoring, Assessment and Research	Stormwater Monitoring & Data Collection
	Lake Monitoring & Data Collection
	BMP Performance Monitoring
	Monitoring Database and Reporting Tool
	Wetland Biological Integrity Monitoring
	Monitoring Trend Analysis and Reporting for General Public
	Citizen Science Monitoring Program
	Research Program
	Emerging Contaminants and Water Quality
Communications and Engagement	General Communications and Engagement
	Project Communications
	Clean Streets
	Maintenance Workshops for Clean Water
	Digital Communications
	Volunteer Programs
	Sponsorships
	Events
	Awards Program
	Youth Outreach Programs
	Partnerships
	Partner Grant Program
	Public Art Program
	595 Aldine Communications and Engagement

OUR PLANS

2021 Year In Review (cont.)

Fund Name	Project Name
Facility Management Program	District-Owned Facility Management
	Shared Ownership Facility Management
	Partner-Owned Facilities
	BMP Database
Como Lake Subwatershed	Como Lake Water Quality Model
	AIS Management
	Como Lake Aquatic Plant Management
	Como Lake Fisheries Management
	Shoreline Management
	Street Sweeping Program
	Water-based Recreation Management
	Como Subwatershed Infrastructure Mgt
	Future Stormwater Management Planning
Lake McCarrons Subwatershed	Lake Vegetation and AIS Management
	Villa Park Wetland System Evaluation
	Watershed Hydraulic and Hydrologic Modeling
	Lake McCarrons Shoreline
Loeb Lake Subwatershed	Loeb Lake Stormwater Pond Improvements
Trout Brook Subwatershed	TBI Easement Verification & Documentation
	TBI Model Update
	NPDES MS4 Stormwater Program
Wetland, Stream and Ecosystem Restoration	Phalen Creek Daylighting Feasibility Study
	Willow Reserve Signage and Access
	Wetland Restoration Planning
Mississippi River Confluence Subwatershed	Ford Site Stormwater Planning
	Ford Site – Area C

OUR PLANS

2021 Year In Review (cont.)

Fund Name	Project Name
Watershed-wide Planning, Assessment and Implementation	Partner Agency Plan Review
	GIS Program
	St Paul Watershed Governance
	Great River Passage
	District Chloride Assessment and Prevention Plan
Como Lake BMPs	TWP - Como BMPs
	Gotfried's Pit Improvements
	Como Pavillion BMPs
Trout Brook BMPs	TBI Repair — Station 28+65 - 50+72
Mississippi River Gorge Subwatershed BMPs	Lauderdale Stormwater Pond Project
Mississippi River Confluence Subwatersheds BMPs	Ford Site
	Victoria Park
Mississippi River Downtown Subwatersheds BMPs	Science Museum of Minnesota
	Midway Peace Park
Watershed-wide Capitol Improvement Projects	Debt and Loan Service

OUR PLANS

2022 Workplan

Fund Name	Project Name	Priority	Project Description
Administration	General Administration	Critical	General administration of CRWD operations
	Community Advisory Committee	Critical	Support Community Advisory Committee
	External Funding Opportunities	Critical	Identify and pursue external funding opportunities
	595 Aldine Operations	Critical	General operations for 595 Aldine
	1736 Thomas Operations	Critical	General operations for 1736 Thomas
	MAWD	Important	Provide support to MAWD
	Safety Program	Critical	Provide safety training, equipment and updates
	Diversity and Inclusion Program	Critical	Provide for District diversity and inclusion efforts
	Administrative Allocation	Ongoing	Annual cost allocation to projects and programs
Regulatory Program	General Permitting Implementation	Critical	Continue implementing District Permit Program
	Coordinated Erosion and Sediment Control	Critical	Coordinate erosion and sediment control inspections with partners
	Permittee Post Construction BMP Inspections	Critical	Inspect completed permit projects for compliance and maintenance
	Engagement Activities with Permittees	Important	Engagement activities with permittees, developers, engineers and applicants
	Rules Evaluation and Update	Critical	Evaluate and consider updates to Rules
	Illicit Discharge Detection and Elimination	Important	Implement IDDE Program
	Industrial Stormwater Permittee Coordination	Important	Support and coordinate with ISW permittees
	Water Reuse Policy Support	Critical	Support the advancement of SW reuse through policy initiatives
Grants Program	Stewardship Grants	Critical	Administer, promote and provide outreach on Stewardship Grants
	Stewardship Grant Outreach	Important	Provide outreach for Stewardship Grant Program
	Grant Project Inspection and Maintenance	Important	Assist grantees with inspection and maintenance support
	ROW Projects-Boulevard Rain Gardens	Important	Provide grants to partners and residents for boulevard rain gardens
	Well Sealing Grants	Beneficial	Provide grant reimbursement for well sealing
	Large-Scale Site Planning Grants	Important	Provide grant reimbursement for large-scale planning projects
	WaterCorps Position	Beneficial	Provide practical watershed management experience to high school students

OUR PLANS

2022 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Monitoring, Assessment and Research	Stormwater Monitoring & Data Collection	Critical	Monitor stormwater baseline, water level and rain gauge sites
	Lake Monitoring & Data Collection	Critical	Monitor lakes for chemical, biological and qualitative parameters
	BMP Performance Monitoring	Critical	Monitor BMP sites for performance
	Monitoring Database and Reporting Tool	Critical	Long-term monitoring database for effective data management
	Wetland Biological Integrity Monitoring	Important	Monitor wetlands for IBI, water quality and data analysis
	Monitoring Trend Analysis and Reporting for General Public	Important	Conduct trend analysis with reporting for the general public
	Citizen Science Monitoring Program	Important	Train and support citizens interested in monitoring
	Research Program	Important	Develop and implement or support comprehensive stormwater research
	Emerging Contaminants and Water Quality	Important	Review and assess emerging contaminants
Communications and Engagement	General Communications and Engagement	Critical	Provide general District communications and engagement
	Project Communications	Critical	Provide for project specific communications
	Clean Streets	Important	Implement Adopt a Drain and other resident-led clean street initiatives
	Maintenance Workshops for Clean Water	Critical	Provide workshops for municipal and agency staff
	Digital Communications	Critical	Maintain and provide content for CRWD digital communications
	Volunteer Programs	Important	Implement Minnesota Water Stewards and other volunteer programs
	Sponsorships	Important	Sponsor and support partner organizations
	Partnerships	Critical	Foster relationships with existing and new partners
	Events	Important	Support community and CRWD-sponsored events and activities
	Awards Program	Beneficial	Support CRWD Recognition Program
	Youth Outreach Programs	Important	Develop and implement outreach programming to District youth
	Partner Grant Program	Important	Provide grants to community organizations to raise awareness of local water resources
	Public Art Program	Important	Support Watershed Artist in Residence program
	595 Aldine Communications and Engagement	Important	Provide for education and outreach at 595 Aldine

OUR PLANS

2022 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Facility Management Program	District-Owned Facility Management	Critical	Inspect, maintain and repair district-owned facilities
	Shared Ownership Facility Management	Critical	Inspect, maintain and repair facilities with shared maintenance responsibilities
	Partner-Owned Facilities	Critical	Provide maintenance support of partner-owned facilities
	BMP Database	Critical	Update and maintain District's BMP database
Groundwater Projects	Groundwater Springs and Seeps Study	Important	Investigate and document known springs and seeps
Como Lake Subwatershed	Como Lake Water Quality Model	Critical	Update the Water Quality Model for Como Lake
	AIS Management	Critical	Manage AIS in Como Lake
	Como Lake Aquatic Plant Management	Critical	Manage nuisance aquatic plants
	Como Lake Fisheries Management	Important	Support and collaborate on establishing and maintaining a balanced fishery
	Shoreline Management	Important	Develop and implement a shoreline management program
	Street Sweeping Program	Important	Develop and implement a street sweeping program
	Water-based Recreation Management	Beneficial	Support partners efforts to maintain water-based recreation
	Como Subwatershed Infrastructure Mgt	Important	Work with partners to improve O&M of drainage infrastructure
	Future Stormwater Management Planning	Important	Identify and study potential opportunities for implementation of stormwater BMPs
	Como Lake Trash Management	Beneficial	Accelerated trash management around Como Lake
Lake McCarrons Subwatershed	Villa Park Wetland System Evaluation	Important	Evaluate the Villa Park Wetland System
	Watershed Hydraulic and Hydrologic Modeling	Important	Conduct flood risk assessment modeling of watershed
	Lake Vegetation and AIS Management	Important	Manage nuisance and invasive aquatic plants
	Lake McCarrons Shoreline	Critical	Implement shoreline improvements
Loeb Lake Subwatershed	Loeb Lake Stormwater Pond Improvements	Important	Investigate improvements to Loeb Lake Stormwater Pond

OUR PLANS

2022 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Trout Brook Subwatershed	NPDES MS4 Stormwater Program	Important	Implement MS4 SWPP
	TBI Model Update	Critical	Complete update and calibration of TBI H/H Model
	TBI Easement Verification & Documentation	Important	Conduct TBI easement verification, acquisition and documentation work
Wetland, Stream and Ecosystem Restoration	Phalen Creek Daylighting Feasibility Study	Critical	Conduct feasibility study for the daylighting of Phalen Creek
	Willow Reserve Signage and Access	Important	Develop and install signage and access for the Willow Reserve
	Wetland Restoration Planning	Important	Develop Wetland Restoration and Management Plan
Mississippi River Confluence Subwatershed	Ford Site Stormwater Planning	Critical	Provide design and planning assistance for the Ford Site
	Ford Site – Area C	Critical	Provide plan review and comments on the Ford Site Area C
Mississippi River Downtown Subwatershed	Capitol Area Stormwater Plan	Important	Support SW planning efforts for the CAAPB
	Swede Hollow Feasibility Study	Important	Conduct Feasibility Study to explore stormwater management options
Watershed-wide Planning, Assessment and Implementation	Great River Passage - River Learning Center	Important	Support the City of St. Paul with feasibility and planning studies for RLC
	Great River Passage - River Balcony	Beneficial	Support the City of St. Paul with feasibility and planning studies for River Balcony
	WMP Biennial Review	Important	Conduct biennial review of the WMP
	Partner Agency Plan Review	Important	Provide review and comments on partner agency plan reviews
	GIS Program	Important	Manage and update District GIS resources
	District Chloride Assessment and Prevention Plan	Important	Work with partners to develop watershed-specific chloride management plan
Como Lake BMPs	Como Pavillion BMPs	Important	Plan, design and construct BMPs around the Como Pavilion
	Como Subwatershed Infrastructure Mgmt	Important	Support Legacy infrastructure improvements within Como subwatershed

OUR PLANS

2022 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Trout Brook BMPs	TBI Repair — Station 28+65 - 50+72	Critical	Engineering design and construction for next segment of TBI repairs
Mississippi River Gorge Subwatershed BMPs	Lauderdale Stormwater Pond Project	Critical	Design and construct improvements to Seminary Pond
Mississippi River Confluence Subwatersheds BMPs	Ford Site	Critical	Support construction of water features on Ford Site
	Victoria Park	Critical	Support water features at Victoria Park
Mississippi River Downtown Subwatersheds BMPs	Science Museum of Minnesota	Important	Support design of Science Museum water management features
	Midway Peace Park	Important	Support for green infrastructure at Midway Peace Park
Watershed-wide Capitol Improvement Projects	Debt and Loan Service	Critical	Annual payments for bonds and loans
	Future CIPs (2022 - 400s)	Critical	Consolidated future CIPs from all 400s
	Thomas Building Capital Management	Critical	Conduct capital maintenance improvements on Thomas Building

APPENDIX A

Minnesota Board of Water and Soil Resources Performance Review & Assistance Program Capitol Region Watershed District

Performance Area	Performance Standard		Level of Review I Annual Compliance II BWSR Staff Review & Assessment (1/10 yrs)	Rating	
				Yes, No, or Value	
	★ Benchmark standard			YES	NO
	■ Basic practice or statutory requirement (see instructions for explanation of standards)				
Administration	■ Activity report: annual, on-time		I	x	
	■ Financial report & audit completed on time		I	x	
	■ Drainage authority buffer strip report submitted on time		I	n/a	
	■ eLink Grant Report(s): submitted on time		I	x	
	■ Rules: date of last revision or review		II	6/5/2019	
	■ Personnel policy: exists and reviewed/updated within last 5 yrs		II	x	
	■ Data practices policy: exists and reviewed/updated within last 5 yrs		II	x	
	■ Manager appointments: current and reported		II	x	
	■ Consultant RFP: within 2 yrs for professional services		II	x	
	■ WD/WMO has resolution assuming WCA responsibilities and appropriate delegation resolutions as warranted (N/A if not WCA LGU)		II	x	
	■ WD/WMO has knowledgeable and trained staff that manages WCA program or has secured a qualified delegate (N/A if not WCA LGU)		II	x	
	★ Administrator on staff		II	x	
	★ Board training: orientation & cont. ed. plan, record for each board member		II	x	
	★ Staff training: orientation & cont. ed. plan and record for each staff person		II	x	
	★ Operational guidelines for fiscal procedures and conflicts of interest exist and current		II	x	
	★ Public drainage records: meet modernization guidelines		II	n/a	
Planning	■ Watershed management plan: up-to-date		I	x	
	■ City/twp. local water plans not yet approved		II	0%	
	■ Capital Improvement Program: reviewed every 2 yrs		II	x	
	★ Biennial Budget Request submitted on time		II	x	
	★ Strategic plan identifies short-term priorities		II	x	
Execution	■ Engineer Reports: submitted for DNR & BWSR review		II	x	
	■ WCA decisions & determinations made in conformance w/all WCA requirements (if delegated WCA LGU)		II	x	
	■ WCA TEP reviews and recommendations appropriately coordinated (if delegated WCA LGU)		II	x	
	■ Total expenditures per year (past 10 yrs)		II	n/a	
	★ Water quality trends tracked for priority water bodies		II	x	
	★ Watershed hydrologic trends monitored / reported		II	x	
Communication & Coordination	■ Website: contains information as required by MR 8410.0150 Subp. 3a, i.e., as board meeting, contact information, water plan, etc.		II	x	
	■ Functioning advisory committee(s): recommendations on projects, reports, 2-way communication with Board		II	x	
	■ Communication piece: sent within last 12 months		II	x	
	Communication target audience		residents		
	★ Track progress for I & E objectives in Plan		II	x	
	★ Coordination with County Board, SWCD Board, City/Twp officials		II	x	
	★ Partnerships: cooperative projects/tasks with neighboring organizations such as counties, soil and water districts, watershed districts and non-governmental organizations		II	x	

APPENDIX B

Financial Statements and Audit

CRWD's financial statements and audit will be completed by June 30, 2022 and added to this document.

ANNUAL FINANCIAL REPORT

Year Ended December 31, 2021

**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, 2021

<u>Manager</u>	<u>Position</u>
Joseph Collins	President
Mary Texer	Vice President
Hawona Sullivan Janzen	Secretary
Rick Sanders	Treasurer
Shawn Murphy	Manager

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Managers
Capitol Region Watershed District
Saint Paul, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore, is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- exercise professional judgment and maintain professional skepticism throughout the audit;
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.


We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary Comparison Schedule – Operations Fund, Schedule of Proportionate Share of Net Pension Liability – General Employees Retirement Plan, Schedule of Pension Contributions – General Employees Retirement Plan, and Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a 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 an opinion on the financial statements that collectively comprise the Capitol Region Watershed District's basic financial statements. The Budgetary Comparison Schedule – Capital Improvement Fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 as identified above is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



JULIE BLAHA
STATE AUDITOR



DIANNE SYVERSON, CPA
DEPUTY STATE AUDITOR

May 25, 2022

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Capitol Region Watershed District

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Capitol Region Watershed District (the District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2021.

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 \$21,077,674 (net position), of which \$13,870,301 represents the net investment in capital assets.

The District's total net position increased by \$2,206,897.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$12,376,763 compared to \$8,579,446 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 2021 and 2020.

	2021	2020
Current and other assets	\$14,023,286	\$10,500,990
Capital assets	22,797,365	23,566,651
Total assets	<u>\$36,820,651</u>	<u>\$34,067,641</u>
Deferred outflows of resources related to pensions	<u>\$705,332</u>	<u>\$229,976</u>
Payables	\$1,673,171	\$1,833,697
Other long term liabilities	14,019,260	13,548,852
Total liabilities	<u>\$15,692,431</u>	<u>\$15,382,549</u>
Deferred inflows of resources related to pensions	<u>\$755,878</u>	<u>\$44,291</u>
Net position:		
Net investments in capital assets	\$13,870,301	\$13,528,702
Restricted	145,879	220,474
Unrestricted	7,061,494	5,121,601
Total net position	<u>\$21,077,674</u>	<u>\$18,870,777</u>

(unaudited)

Management's Discussion and Analysis

Governmental Activities

Governmental activities resulted in an increase of the District's net position by \$2,206,897. The details of the increase are as follows:

Capitol Region Watershed District's Changes in Net Position

	<u>2021</u>	<u>2020</u>
Revenues:		
Program revenues:		
Charges for services	\$44,500	\$36,500
Operating grants and contributions	113,761	2,872
Capital grants and contributions	-	892,950
General revenues:		
Property taxes	8,318,767	8,210,098
Unrestricted investment earnings	1,165	31,236
Miscellaneous other	<u>214,600</u>	<u>110,300</u>
Total revenues	<u>8,692,793</u>	<u>9,283,956</u>
Expenses:		
General government	4,555,796	3,556,142
Conservation of natural resources	1,552,665	1,799,233
Interest and fees on long term debt	<u>377,435</u>	<u>340,601</u>
Total expenses	<u>6,485,896</u>	<u>5,695,976</u>
Change in net position	2,206,897	3,587,980
Net position - January 1	<u>18,870,777</u>	<u>15,282,797</u>
Net position - December 31	<u>\$21,077,674</u>	<u>\$18,870,777</u>

The increase in net position is primarily due to several programs and projects that were under budget or projects not starting until 2022. Several projects and programs were delayed due to the COVID-19 pandemic.

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.

(unaudited)

Management's Discussion and Analysis

The Operations fund balance increased by \$421,137 during 2021 due to fewer program related expenditures than anticipated. The District budgeted expenditures of \$5,368,320, however actual expenditures were \$775,554 less than expected.

The Capital Improvement fund balance increased by \$1,362,642 during 2021. This was primarily due to the Trout Brook BMP and the Mississippi River Downtown Subwatershed BMPs projects coming in under budget.

The Debt Service fund balance increased by \$2,013,538 during 2021. Proceeds in the amount of \$2,011,078 were received during 2021 upon issuing the 2021A bonds. The proceeds will be used to redeem the outstanding maturities of the 2013A bonds on February 1, 2022. Due to the timing of this refunding transaction, fund balance temporarily spiked at December 31, 2021.

Budgetary Highlights

Operations

2021 actual revenue of \$5,013,903 was \$225,683 more than budgeted revenue of \$4,788,220. 2021 actual expenditures of \$4,592,766 were \$775,554 less than budgeted expenditures of \$5,368,320. The expenditure budget variance was due to several programs and projects that were under budget or projects not starting until 2022. Several projects and programs were delayed due to the COVID-19 pandemic.

Capital Improvement

Capital Improvement fund expenditures were under budget by \$2,217,253. This was primarily due to the Trout Brook BMP and the Mississippi River Downtown Subwatershed BMPs projects coming in under budget.

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital assets. The District's capital assets as of December 31, 2021 amount to \$22,797,365, net of accumulated depreciation. This investment in capital assets is in equipment, buildings, and infrastructure. Accumulated depreciation was \$6,933,653 with current depreciation charges of \$1,012,162.

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

	December 31	
	2021	2020
Equipment	\$80,987	\$61,645
Buildings	11,697,151	12,112,912
Infrastructure	11,019,227	9,225,132
Construction in progress	-	2,166,962
Total	<u>\$22,797,365</u>	<u>\$23,566,651</u>

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

	Compensated Absences	Loans Payable	Bonds Payable	Net Pension Liability
December 31, 2021	\$134,343	\$92,340	\$12,972,651	\$819,926
December 31, 2020	<u>144,222</u>	<u>137,472</u>	<u>12,199,967</u>	<u>1,067,191</u>
Increase (decrease)	<u>(\$9,879)</u>	<u>(\$45,132)</u>	<u>\$772,684</u>	<u>(\$247,265)</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. Those bonds were paid off during 2021. 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. In 2021, the District issued \$1,880,000 in General Obligation Refunding Bonds to refund the balance of the 2013A bonds on February 1, 2022. Due to the timing of this transaction, both the 2013A bonds and the 2021A bonds were outstanding at December 31, 2021.

(unaudited)

Management's Discussion and Analysis

2021 Financial Highlights

S&P Global Ratings assigned its 'AA' stable 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. A CIP Reserve Fund of \$1,000,000 is established as well. The year-end available Operations fund balance of \$3,352,069 is 62% of budgeted expenditures, which is well in excess of the District's 50% fund balance policy requirement.

2021 ended with the District spending approximately 66% of its overall budget. The difference is mainly due to planned projects not starting or 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.

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BASIC FINANCIAL STATEMENTS

CAPITOL REGION WATERSHED DISTRICT
STATEMENT OF NET POSITION
December 31, 2021

Statement 1

	Governmental Activities
Assets:	
Cash and short term investments	\$13,509,493
Due from other governments	252,205
Property taxes receivable:	
Due from county	149,681
Delinquent	111,907
Capital assets - net of accumulated depreciation	22,797,365
Total assets	<u>36,820,651</u>
Deferred outflows of resources related to pensions	<u>705,332</u>
Total assets and deferred outflows of resources	<u><u>37,525,983</u></u>
Liabilities:	
Accounts payable	\$517,961
Salaries payable	28,886
Deposits payable	987,769
Accrued interest payable	138,555
Loans payable:	
Due within one year	46,039
Due in more than one year	46,301
Bonds payable:	
Due within one year	2,480,000
Due in more than one year	10,492,651
Compensated absences payable:	
Due within one year	134,343
Net pension liability:	
Due in more than one year	819,926
Total liabilities	<u>15,692,431</u>
Deferred inflows of resources related to pensions	<u>755,878</u>
Net position:	
Net investment in capital assets	13,870,301
Restricted	145,879
Unrestricted	7,061,494
Total net position	<u>21,077,674</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$37,525,983</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, 2021

Statement 2

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges For Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental activities:					
General government	\$4,555,796	\$44,500	\$113,761	\$ -	(\$4,397,535)
Conservation of natural resources	1,552,665	-	-	-	(1,552,665)
Interest and fees on long term debt	377,435	-	-	-	(377,435)
Total governmental activities	\$6,485,896	\$44,500	\$113,761	\$ -	(6,327,635)
General revenues:					
Property taxes					8,318,767
Unrestricted investment earnings					1,165
Miscellaneous					214,600
Total general revenues					8,534,532
Change in net position					2,206,897
Net position - January 1					18,870,777
Net position - December 31					\$21,077,674

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

CAPITOL REGION WATERSHED DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

Statement 3

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
Assets				
Cash and short-term investments	\$4,662,274	\$6,623,025	\$2,224,194	\$13,509,493
Due from other governments	46,519	205,686	-	252,205
Property taxes receivable:				
Due from county	85,932	44,682	19,067	149,681
Delinquent	65,209	32,731	13,967	111,907
Total assets	4,859,934	6,906,124	2,257,228	14,023,286
Liabilities:				
Accounts payable	\$426,859	\$91,102	\$ -	\$517,961
Salaries payable	28,028	858	-	28,886
Deposits payable	987,769	-	-	987,769
Total liabilities	1,442,656	91,960	-	1,534,616
Deferred inflows of resources:				
Unavailable revenue	65,209	32,731	13,967	111,907
Fund balance:				
Restricted	-	-	2,243,261	2,243,261
Assigned	-	6,781,433	-	6,781,433
Unassigned	3,352,069	-	-	3,352,069
Total fund balance	3,352,069	6,781,433	2,243,261	12,376,763
Total liabilities, deferred inflows of resources, and fund balance	\$4,859,934	\$6,906,124	\$2,257,228	\$14,023,286
Fund balance reported above				\$12,376,763
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.				22,797,365
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.				705,332
Deferred inflows of resources related to pensions are associated with long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the funds.				(755,878)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:				
Accrued interest payable				(138,555)
Loans payable				(92,340)
Bonds payable				(12,972,651)
Compensated absences payable				(134,343)
Net pension liability				(819,926)
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.				111,907
Net position of governmental activities				\$21,077,674

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, 2021

Statement 4

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
Revenues:				
General property taxes	\$4,776,760	\$2,483,785	\$1,059,899	\$8,320,444
Intergovernmental	111,739	122,768	-	234,507
Interest income	504	422	239	1,165
Permit fees	44,500	-	-	44,500
Miscellaneous	80,400	134,200	-	214,600
Total revenues	<u>5,013,903</u>	<u>2,741,175</u>	<u>1,060,138</u>	<u>8,815,216</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	2,005,183	-	313	2,005,496
Contracted personnel	1,082,044	-	-	1,082,044
Professional services	348,520	-	-	348,520
Construction maintenance and materials	208,582	-	-	208,582
Program cost share/grant expenses	327,779	-	-	327,779
Other services and charges	579,761	-	950	580,711
Conservation of natural resources	-	562,058	-	562,058
Capital outlay	40,897	201,979	-	242,876
Debt service:				
Principal	-	-	1,260,132	1,260,132
Interest	-	-	354,306	354,306
Bond issuance costs	-	-	56,473	56,473
Total expenditures	<u>4,592,766</u>	<u>764,037</u>	<u>1,672,174</u>	<u>7,028,977</u>
Revenues over (under) expenditures	<u>421,137</u>	<u>1,977,138</u>	<u>(612,036)</u>	<u>1,786,239</u>
Other financing sources (uses):				
Issuance of refunding bonds	-	-	1,880,000	1,880,000
Bond premium	-	-	131,078	131,078
Transfer in	-	-	614,496	614,496
Transfer out	-	(614,496)	-	(614,496)
Total other financing sources (uses)	<u>-</u>	<u>(614,496)</u>	<u>2,625,574</u>	<u>2,011,078</u>
Net change in fund balance	421,137	1,362,642	2,013,538	3,797,317
Fund balance - January 1	<u>2,930,932</u>	<u>5,418,791</u>	<u>229,723</u>	<u>8,579,446</u>
Fund balance - December 31	<u><u>\$3,352,069</u></u>	<u><u>\$6,781,433</u></u>	<u><u>\$2,243,261</u></u>	<u><u>\$12,376,763</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, 2021

Statement 5

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)	\$3,797,317
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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	242,876
Depreciation expense	(1,012,162)

Accrued interest payable:

At December 31, 2021	(138,555)
At December 31, 2020	148,505

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:

Issuance of long-term debt, including bond premium	(2,011,078)
Principal payment	1,260,132
Amortization of premium	23,394

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, 2021	111,907
At December 31, 2020	(236,352)

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, 2021	(134,343)
At December 31, 2020	144,222

Governmental funds report pension contributions as expenditures, however, pension expense is reported in the Statement of Activities. This is the amount by which pension expense differs from pension contributions during the current period:

Pension contributions	106,614
Pension expense	(95,580)
	<u>11,034</u>

Change in net position of governmental activities (Statement 2)	<u><u>\$2,206,897</u></u>
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The accompanying notes are an integral part of these financial statements.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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 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.

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 SHORT-TERM 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.

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. 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.

J. CAPITAL ASSETS

Capital assets, which include construction in progress, equipment, buildings 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, buildings and infrastructure of the District are depreciated using the straight-line method over the following estimated useful lives:

Equipment	5 - 8 years
Rain gardens	20 years
Trenches	20 years
Buildings	30 years
Other Infrastructure	30 years

K. 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.

L. 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.

M. UNEARNED REVENUE

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

N. 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 assets that applies to future periods 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 assets that applies to future periods 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 grants and property taxes.

O. DEFINED BENEFIT PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows and inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to and 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 end 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. Investments are reported at fair value.

P. 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.

Q. 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.

R. 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, 2021

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.

S. 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.

Note 2 DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

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. Securities pledged as collateral are required to 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. Minnesota Statute 118A.03 identifies allowable forms of collateral.

The District had no deposits at December 31, 2021.

B. INVESTMENTS

Subject to rating, yield, maturity and issuer requirements as prescribed by statute, Minnesota Statutes 118A.04 and 118A.05 authorize the District to invest in United States securities, state and local securities, commercial paper, time deposits, high-risk mortgage-backed securities, temporary general obligation bonds, repurchase agreements, Minnesota joint powers investment trust and guaranteed investment contracts.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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, 2021, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Pooled with 4M fund	NA	\$13,509,493

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 of 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.

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, 2021, all of the District's investments were pooled with the 4M fund.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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.

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, unavailable revenue reported in the governmental funds was as follows:

	Property Taxes
Operations	\$65,209
Capital Improvement	32,731
Debt Service	13,967
Total unavailable revenue	<u>\$111,907</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated:				
Construction in progress	\$2,166,962	\$187,187	(\$2,354,149)	\$ -
Capital assets being depreciated:				
Equipment	131,544	40,897	-	172,441
Buildings	12,901,806	14,792	-	12,916,598
Infrastructure	14,287,830	2,354,149	-	16,641,979
Total capital assets being depreciated	27,321,180	2,409,838	-	29,731,018
Less accumulated depreciation for:				
Equipment	69,899	21,555	-	91,454
Buildings	788,894	430,553	-	1,219,447
Infrastructure	5,062,698	560,054	-	5,622,752
Total accumulated depreciation	5,921,491	1,012,162	-	6,933,653
Total capital assets depreciated, net	21,399,689	1,397,676	-	22,797,365
Total capital assets, net	\$23,566,651	\$1,584,863	(\$2,354,149)	\$22,797,365

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

Governmental activities:	
General government	\$21,555
Conservation of natural resources	990,607
Total	<u>\$1,012,162</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 6 LONG-TERM DEBT

In 2007, the District issued Tax Supported Bonds Series 2007A to provide funds for capital improvements. The final payment on these bonds was made during 2021. 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. In 2021, the District issued 2021A General Obligation Refunding Bonds to refund the 2013A bonds.

GOVERNMENTAL ACTIVITIES

As of December 31, 2021, long-term bonded debt and loans payable of the District consisted of the following:

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/2021
Tax Supported Bonds:					
\$3,000,000 Series 2013A	2.00-3.00%	4/17/2013	2/1/2022	\$3,000,000	\$2,090,000
\$9,690,000 Series 2018A	3.00%	2/15/2018	2/1/2038	9,690,000	8,570,000
\$1,880,000 Series 2021A	1.00-3.00%	11/4/2021	2/1/2030	1,880,000	1,880,000
Unamortized bond premium				530,133	432,651
Total bonded indebtedness				<u>15,100,133</u>	<u>12,972,651</u>
Loans payable:					
MPCA Loan Payable	2.00%	12/15/2013	12/15/2023	<u>430,000</u>	<u>92,340</u>
Total District indebtedness				<u>\$15,530,133</u>	<u>\$13,064,991</u>

As of December 31, 2021, annual debt service requirements to maturity are as follows:

	Revenue (Tax Supported) Bonds						Loans payable	
	Series 2013A		Series 2018A		Series 2021A		MPCA	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$2,090,000	\$25,619	\$390,000	\$255,650	\$ -	\$36,768	\$46,039	\$1,617
2023	-	-	405,000	243,725	250,000	45,825	46,301	692
2024	-	-	415,000	231,425	265,000	38,100	-	-
2025	-	-	425,000	218,825	275,000	30,000	-	-
2026	-	-	440,000	203,650	285,000	21,600	-	-
2027-2031	-	-	2,430,000	796,200	805,000	22,888	-	-
2032-2036	-	-	2,815,000	403,575	-	-	-	-
2037-2038	-	-	1,250,000	37,800	-	-	-	-
Totals	<u>\$2,090,000</u>	<u>\$25,619</u>	<u>\$8,570,000</u>	<u>\$2,390,850</u>	<u>\$1,880,000</u>	<u>\$195,181</u>	<u>\$92,340</u>	<u>\$2,309</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Long-term liability activity for the year ended December 31, 2021 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Amortized Premiums	Ending Balance	Due Within One Year
Bonds payable:						
2007A general obligation bonds	\$695,000	\$ -	(\$695,000)	\$ -	\$ -	\$ -
2013A general obligation bonds	2,230,000	-	(140,000)	-	2,090,000	2,090,000
2018A general obligation bonds	8,950,000	-	(380,000)	-	8,570,000	390,000
2021A general obligation refunding bonds	-	1,880,000	-	-	1,880,000	-
Total bonds payable	11,875,000	1,880,000	(1,215,000)	-	12,540,000	2,480,000
Unamortized bond premium	324,967	131,078	-	(23,394)	432,651	-
Total bonded indebtedness	12,199,967	2,011,078	(1,215,000)	(23,394)	12,972,651	2,480,000
Loans payable:						
MPCA loan payable	137,472	-	(45,132)	-	92,340	46,039
Total long-term debt	<u>\$12,337,439</u>	<u>\$2,011,078</u>	<u>(\$1,260,132)</u>	<u>(\$23,394)</u>	<u>\$13,064,991</u>	<u>\$2,526,039</u>

CURRENT REFUNDING

On November 4, 2021, the District issued \$1,880,000 of General Obligation Refunding Bonds, Series 2021A. On February 1, 2022, the District will use \$1,950,000 of the bond proceeds, which included a bond premium of \$131,078, to advance refund the 2023 through 2034 maturities of the 2013A General Obligation Bonds. The District will refund the 2023 through 2034 maturities of the 2013A bonds to reduce its total debt service payments over the last twelve years of the bond by \$229,312 and to obtain an economic gain (difference between the present value of the debt service payments on the old and new debt) by \$182,496.

Note 7 OPERATING LEASE

The District leases a copier from an unrelated third party. The lease is classified as an operating lease. The term of the lease is May 1, 2018 through April 30, 2023. Lease expenditures for the year ended December 31, 2021 amounted to \$6,519.

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

	Copier
2022	<u>\$5,069</u>
2023	<u>1,690</u>
Total	<u><u>\$6,759</u></u>

Note 8 DEFINED BENEFIT PENSION PLAN

A. PLAN DESCRIPTION

The District participates in the following cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

All full-time and certain part-time employees of the District are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. BENEFITS PROVIDED

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2% of average salary for each of the first ten years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary for all years of service. For 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.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024 or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

C. CONTRIBUTIONS

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

Coordinated Plan members were required to contribute 6.5% of their annual covered salary in fiscal year 2020 and the District was required to contribute 7.5% for Coordinated Plan members. The District's contributions to the General Employees Fund for the year ended December 31, 2021 were \$106,614. The District's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

At December 31, 2021, the District reported a liability of \$819,926 for its proportionate share of the General Employees Fund's net pension liability. The District's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the District totaled \$25,056.

The net pension liability was measured as of June 30, 2021, 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, 2020 through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0192% at the end of the measurement period and 0.0178% for the beginning of the period.

District's proportionate share of the net pension liability	\$819,926
State of Minnesota's proportionate share of the net	
pension liability associated with the District	<u>25,056</u>
Total	<u><u>\$844,982</u></u>

For the year ended December 31, 2021, the District recognized pension expense of \$95,580 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$2,022 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

At December 31, 2021, 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	\$5,221	\$25,092
Changes in actuarial assumptions	500,630	18,348
Difference between projected and actual investment earnings	-	712,438
Changes in proportion	141,891	-
Contributions paid to PERA subsequent to the measurement date	57,590	-
Total	<u>\$705,332</u>	<u>\$755,878</u>

The \$57,590 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. 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
2022	\$36,667
2023	35,889
2024	12,987
2025	(193,679)
2026	-
Thereafter	-

E. LONG-TERM EXPECTED RETURN ON INVESTMENT

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return 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 geometric 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 equity	33.5%	5.10%
International equity	16.5%	5.30%
Fixed income	25%	0.75%
Private markets	25%	5.90%
Total	<u>100%</u>	

F. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2021 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

For the General Employees Plan, inflation is assumed to be 2.25% and benefit increases after retirement are assumed to be 1.25%. Salary growth assumptions range in annual increments from 10.25% after one year of service to 3.0% after 29 years of service and 6.0% per year thereafter. Active member payroll growth is assumed to be 3%.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. The table is adjusted slightly to fit PERA's experience.

Actuarial assumptions used in the June 30, 2021 valuation were based on the results of actuarial experience studies. The experience study for the General Employees Plan was dated June 27, 2019. A review of inflation and investment assumptions dated June 24, 2021 was utilized.

There were no changes in plan provisions since the previous valuation. The following changes in actuarial assumptions occurred in 2021:

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

G. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. 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.

H. PENSION LIABILITY SENSITIVITY

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

	<u>1% Decrease in Discount Rate (5.5%)</u>	<u>Discount Rate (6.5%)</u>	<u>1% Increase in Discount Rate (7.5%)</u>
Proportionate share of the GERF net pension liability	\$1,672,231	\$819,926	\$120,558

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

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.

Note 9 COMPENSATED ABSENCES

Changes in compensated absences during 2021 are:

Beginning balance	\$144,222
Additions	162,242
Deductions	<u>(172,121)</u>
Ending balance	<u>\$134,343</u>
Due within one year	<u>\$134,343</u>

Note 10 FUND BALANCE CLASSIFICATIONS

At December 31, 2021, a summary of the governmental fund balance classifications is as follows:

	<u>Operations</u>	<u>Capital Improvement</u>	<u>Debt Service</u>	<u>Total</u>
Restricted for:				
Debt service	\$ -	\$ -	\$2,243,261	\$2,243,261
Assigned for:				
Capital improvements	-	6,781,433	-	6,781,433
Unassigned	<u>3,352,069</u>	<u>-</u>	<u>-</u>	<u>3,352,069</u>
Total	<u>\$3,352,069</u>	<u>\$6,781,433</u>	<u>\$2,243,261</u>	<u>\$12,376,763</u>

Note 11 INTERFUND TRANSFERS

During the year ended December 31, 2021, the District transferred \$614,496 from the Capital Improvement fund to the Debt Service fund. The purpose of the transfer was to provide funding to payoff the 2007A general obligation bonds.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

Note 12 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. 87 *Leases*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 92 *Omnibus 2020*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2021.

Statement No. 94 *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2022.

Statement No. 96 *Subscription-Based Information Technology Arrangements*. The provisions of this Statement are effective for fiscal years beginning after June 15, 2022.

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.

REQUIRED SUPPLEMENTARY INFORMATION

CAPITOL REGION WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - OPERATIONS FUND
For The Year Ended December 31, 2021

Schedule 1

	Budgeted Amounts		2021 Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
Revenues:				
Tax levy	\$4,752,220	\$4,752,220	\$4,776,760	\$24,540
Intergovernmental	15,000	15,000	111,739	96,739
Interest income	1,000	1,000	504	(496)
Permit fees	20,000	20,000	44,500	24,500
Miscellaneous	-	-	80,400	80,400
Total revenues	<u>4,788,220</u>	<u>4,788,220</u>	<u>5,013,903</u>	<u>225,683</u>
Expenditures:				
Administrative	799,100	799,100	1,119,937	(320,837)
Programs	3,626,434	3,626,434	2,563,151	1,063,283
Projects	942,786	942,786	909,678	33,108
Total expenditures	<u>5,368,320</u>	<u>5,368,320</u>	<u>4,592,766</u>	<u>775,554</u>
Revenues over expenditures	<u>(\$580,100)</u>	<u>(\$580,100)</u>	421,137	<u>\$1,001,237</u>
Fund balance - January 1			<u>2,930,932</u>	
Fund balance - December 31			<u>\$3,352,069</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
For The Last Ten Years

Schedule 2

Measurement Date June 30	Fiscal Year Ending December 31	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
2021	2021	0.0192%	\$819,926	\$25,056	\$844,982	\$1,383,702	61.1%	87.0%
2020	2020	0.0178%	1,067,191	33,000	1,100,191	1,271,851	86.5%	79.1%
2019	2019	0.0157%	868,018	26,999	895,017	1,108,525	80.7%	80.2%
2018	2018	0.0146%	809,948	26,605	836,553	983,376	85.1%	79.5%
2017	2017	0.0144%	919,286	11,545	930,831	926,534	100.5%	75.9%
2016	2016	0.0133%	1,079,894	14,131	1,094,025	825,946	132.5%	68.9%
2015	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
For The Last Ten Years

Schedule 3

Fiscal Year Ending December 31	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)
2021	\$106,614	\$106,614	\$ -	\$1,421,510	7.5%
2020	103,085	103,085	-	1,374,464	7.5%
2019	90,790	90,790	-	1,210,539	7.5%
2018	77,347	77,347	-	1,031,305	7.5%
2017	71,261	71,261	-	950,146	7.5%
2016	64,434	64,434	-	859,120	7.5%
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, 2021

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 Fund

2021 Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.5% to 6.5% for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2021

2020 Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2017 to MP-2018.

2019 Changes in the Plan Provisions:

- The employer supplemental contribution was changed prospectively, decreasing from \$31 million to \$21 million per year. The State's special funding contribution was changed prospectively, requiring \$16 million due per year through 2031.

2018 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% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

2018 Changes in the Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00% beginning July 1, 2018.
- Deferred augmentation was changed to 0.00% effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Post-retirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90% funding to 50% of the Social Security cost of living adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to the Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 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. 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.

2016 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.

SUPPLEMENTARY INFORMATION

CAPITOL REGION WATERSHED DISTRICT
BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT FUND
For The Year Ended December 31, 2021

Schedule 4

	Budgeted Amounts		2021 Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
General property taxes	\$2,471,025	\$2,471,025	\$2,483,785	\$12,760
Intergovernmental	275,000	275,000	122,768	(152,232)
Interest income	15,000	15,000	422	(14,578)
Miscellaneous	58,000	58,000	134,200	76,200
Total revenues	<u>2,819,025</u>	<u>2,819,025</u>	<u>2,741,175</u>	<u>(77,850)</u>
Expenditures:				
Current:				
Conservation of natural resources:				
Como Lake BMP	200,700	200,700	375,720	(175,020)
Loeb Lake BMP	-	-	44	(44)
Trout Brook BMP	950,250	950,250	-	950,250
Mississippi River Downtown Subwatershed BMPs	1,521,890	1,521,890	2,972	1,518,918
Special projects and grants	-	-	183,322	(183,322)
Total conservation of natural resources	<u>2,672,840</u>	<u>2,672,840</u>	<u>562,058</u>	<u>2,110,782</u>
Capital outlay	<u>308,450</u>	<u>308,450</u>	<u>201,979</u>	<u>106,471</u>
Total expenditures	<u>2,981,290</u>	<u>2,981,290</u>	<u>764,037</u>	<u>2,217,253</u>
Revenues over (under) expenditures	<u>(162,265)</u>	<u>(162,265)</u>	<u>1,977,138</u>	<u>2,139,403</u>
Other financing sources (uses):				
Transfer out	<u>-</u>	<u>-</u>	<u>(614,496)</u>	<u>(614,496)</u>
Net change in fund balance	<u>(\$162,265)</u>	<u>(\$162,265)</u>	<u>1,362,642</u>	<u>\$1,524,907</u>
Fund balance - January 1			<u>5,418,791</u>	
Fund balance - December 31			<u>\$6,781,433</u>	

APPENDIX C

Stormwater Pollution Prevention Report

CRWD's Stormwater Pollution Prevention Report will be completed by July 31, 2022 and added to this document.