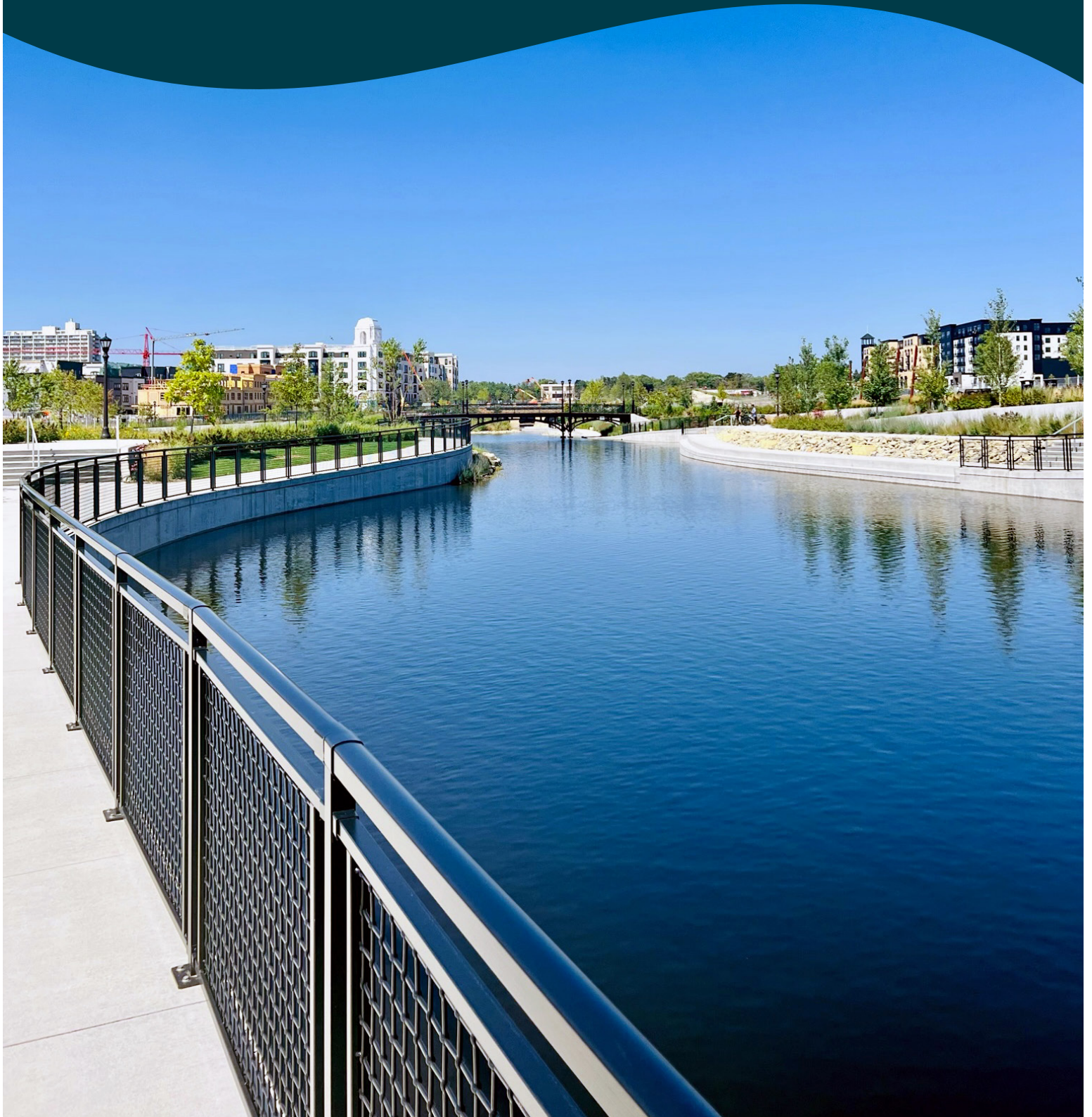




Annual Report

2022



Letter from Administrator



On behalf of the Board Managers and staff at CRWD I would like to share some highlights of projects and programs in 2022.

A lot of our work this year was focused around Como Lake. The District collaborated with the City of Saint Paul in 2022 to develop and adopt the Como Lakeshore Management Plan. This plan will guide the long-term management of the shoreline and buffer vegetation for the next 20 years.

Bringing native plants back to Como Lake is an important next step toward achieving water quality goals. The District has been working to restore the aquatic plant community by transplanting live plants into Como Lake over the last two years. In 2022, extensive monitoring was completed to track progress and the preliminary data shows that the plants are thriving.

After many years of planning, Highland Bridge is open to the public and is already a regional destination. Utilizing rain as a resource, the central water feature invites residents to reconnect with water as it makes its way to the reimagined Hidden Falls Creek before flowing to the Mississippi River. The regional stormwater management features at Highland Bridge can be seen above ground in the form of rain gardens that capture and clean runoff and below your feet in the form of large underground storage tanks and filters. Combined these features capture and clean 64 million gallons of runoff each year!

CRWD staff worked with the North End Neighborhood Organization and the City of Saint Paul staff to create beautiful interpretive signs for Willow Reserve. The signs highlight the restoration, plants and wildlife Willow Reserve supports as well as water quality features. They will be installed in the spring of 2023 to help activate the site. The endangered Rusty Patch Bumble Bee was found at the site during a biological survey in July 2022. This exciting find demonstrates the quality of the restoration efforts and improved habitat.

In early 2022, CRWD completed repairs in over 2,000 linear feet of the Trout Brook Storm Sewer Interceptor (TBI). TBI carries rainwater and snowmelt from city streets, parking lots and other hard surfaces to the Mississippi River. The repairs addressed defects like deteriorating concrete, cracks and fractures, exposed surface reinforcements, and sediment build-up.

The City of Saint Paul adopted the Great River Passage Master Plan in 2013 to create a framework for vibrancy in the City's 3,500 acres of parkland along the 17-mile stretch of the Mississippi River. Two capital projects were identified in that plan, the River Balcony in downtown Saint Paul, and the River Learning Center in Crosby Farm Regional Park. CRWD provided a grant to support communications and engagement and stormwater management schematic design for both project areas and participated in the Stakeholder and Technical Advisory Committees.

Improvements are underway for our next-door Thomas Building. Infrastructure and building envelope improvements ready the property for our growing Facility Management program. It has also enabled us to lease a portion of the space to Great River Greening for their field operations.

2022 was a year of transition and change. Like many others, we began the year working remotely and fully transitioned back to the office in May. With job market fluctuations we said goodbye to several key staff and hired new staff with fresh perspectives and energy that drive our work.

I am proud of the work we accomplished together in 2022. 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

Contents

Letter from Administrator	inside cover
2022 Year in Review Summary	2
Our Organization	3
District Map	5
Our People	6
Recognition & Awards	8
Our Work	
Water Resources	11
Projects	14
Communications & Engagement	22
Grants	26
Water Quality Monitoring	29
BMP Maintenance	32
Watershed Rules & Permitting	37
Finance Summary	39
Our Plans	
List of Terms	40
2022 Year in Review	40
2023 Workplan	44
Appendix A: Performance Review & Assistance Program	
Appendix B: Financial Statement & Audit	
Appendix C: Stormwater Pollution Prevention Report	



Above: InProgress Rain Watcher, 2022 Partner Grant.
Left: District 10 Community Council Como Lake Cleanup, 2022 Partner Grant.
Cover photo: Central water feature at Highland Bridge in Saint Paul.



Year in Review Summary

People

5 Board Managers
12 CAC members
22 Staff members
212,000 residents

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

77 water quality and quantity monitoring sites
9 new monitoring sites added in 2022
15 full water quality sites

Permitting

795 permit inspections
27 permit applications
15 permits closed
302,025,011 gals. of stormwater runoff treated

Communications and Engagement

2,000+ residents engaged
25+ public events, trainings, presentations, resource assistance, school visits, field trips and tours within the District
14 newsletters to residents
62,500+ website page views

Stewardship Grant Inspections

389 Stewardship Grant project inspections
86% of inspections received an A or B rating, meaning that no or few improvements were needed

Adopt a Drain

26,264 lbs. of material near storm drains removed by volunteers!
8.6 lbs. of total phosphorus prevented from flowing to the Mississippi River
143 new Adopt a Drain volunteers
268 new storm drains adopted in the District

Minnesota Water Stewards

4 new water stewards
26 graduated water stewards
121 hours of volunteer service in 2022

Projects

Highland Bridge

64 million gals. of water treated each year
147 lbs. of phosphorus removed each year

Trout Brook Storm Sewer Repairs

2,000 linear feet of tunnel repaired in 2022
1880s-1950s sewer system constructed

McCarrons Curb-Cut Rain Gardens

600+ native plants installed
5 curb-cut rain gardens
10 volunteers
367,774 gals. of water treated each year

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.

Financial Summary

\$5,431,878 Ops* revenue
\$4,627,248 Ops* expenses
\$2,761,536 CIP* revenue
\$2,443,579 CIP* expenses

* Ops = Operations
CIP = Capital Improvement Program

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.

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 Tanjka 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.

De Dakota Makóče, this is Dakota Land Land Acknowledgment

The Board of Managers adopted the following land acknowledgment:

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.

Phidámayaye.

Thank you to Wakan Tipi Awanyankapi, formerly 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 Wakan Tipi Awanyankapi, 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 wakantipi.org/resources

Native wildflowers bloom in CRWD's pocket park.



Our Organization



Como Lakeside Pavilion framed by fall colors.

Watershed Management Plan

CRWD's 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 by CRWD's Board of Managers on November 4, 2020. CRWD developed the Plan in collaboration with stakeholders and partners who serve key roles in achieving CRWD goals. This Plan carries forward many of the issues, goals, and themes included in CRWD'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.

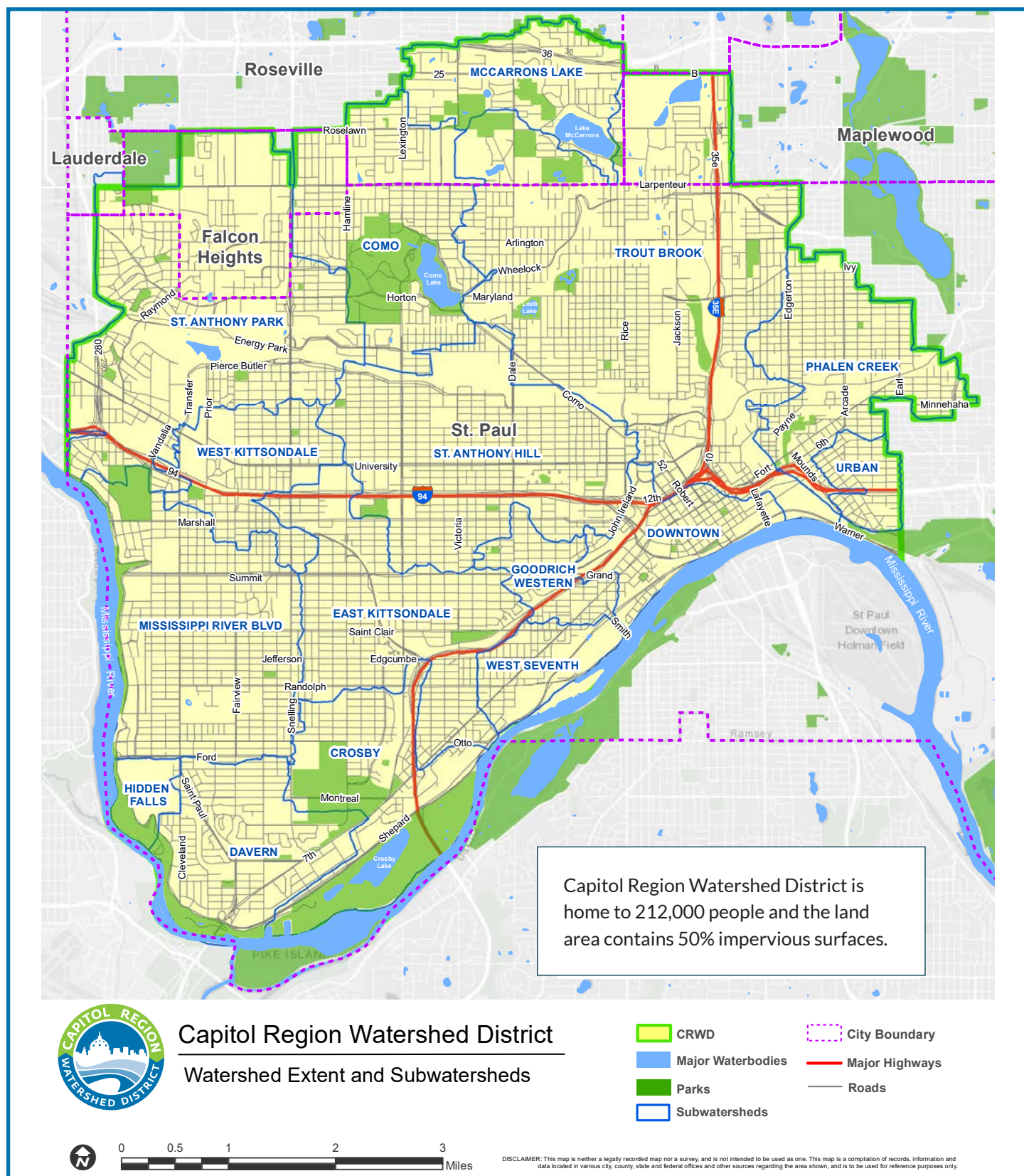
A ten-page overview of the Plan was developed in 2021. It summarizes the content of the Plan, including CRWD's work, the communities served by the District, organizational values, themes, priority issues, goals, focus areas, funding, programs, projects and capital improvements.

Every two years, CRWD is required to conduct a review of its progress in achieving the Plan goals and completing the associated Plan implementation activities. This information will be useful for annual work planning and determining future revisions to the implementation activities and amendments to the Plan. The first biennial review period was extended from January 2021 to December 2022. CRWD staff will perform the 2021-2022 biennial review in early 2023.

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 2022 Financial Statement and Audit can be found in Appendix B. The 2021 audit, completed in 2022, had no findings from the state audit.

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 Watershed Management Plan. 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 Mazanec
Communications & Engagement

Staff

[Mark Doneux](#), Administrator

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

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

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

[Meilina Dalit](#), Office Manager

[Anna Eleria](#), Deputy Administrator

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

[Rachel Funke](#), BMP Maintenance Coordinator

[Elizabeth Hosch](#), Permit Program Manager

[Julia Howard](#), Administrative Assistant

[Forrest Kelley](#), PE Regulatory Division Manager

[Luke Martinkosky](#), Water Resources Regulatory Specialist

[Alexandra Morrison](#), Stormwater BMP Technician

[Eoghan O'Neill](#), Water Resource Technician

[Lucas Roessler-Caram](#), Water Resource Technician

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

[Acadia Stephan](#), BMP Inspector

[Mary Van Sant](#), Communications Associate

[Sarah Wein](#), Monitoring Coordinator

[Marta Wichman](#), Water Resource Technician

[Maricella Xiong](#), Community Engagement Coordinator

[Nate Zwonitzer](#), Planning, Projects, and Grants Division Manager

Photo of Hawona Sullivan Janzen by Caroline Yang.
All other Board Manager photos by Becca Dilley.
Below: CRWD at MAWD 2022 Conference.



Our People



Native wildflower bloom in CRWD's Pocket Park.

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.

2022 members; David Arbeit, Cheryl Braun, Steven Duerre, Tom Elko, Mary Lilly (co-chair), Michael MacDonald, Andrew Montain, Bob Simonet, Michelle Ulrich, Richard Weil, Gwen Willems (co-chair), and Lauren Wheeler.

2022 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 2022 are listed below. *DBE Firm

Barr Engineering, Minneapolis, MN

Houston Engineering, Inc., Maple Grove, MN

***Resilience Resources, LLC**, Minneapolis, MN

Resource Environmental Solutions, LLC, Jordan, MN

Stantec Consulting Services, Inc., Minneapolis, MN

SRF Consulting Group, Inc., Plymouth, MN

***Young Environmental Consulting Group, LLC**, Brooklyn Park, MN

Recognition & Awards

2022 Recognition & Awards Ceremony

CRWD hosted a celebration to honor the contributions of residents, community organizations, and businesses as well as Board Managers, CAC members and staff at the 2022 Recognition and Awards Ceremony

1 Watershed Citizen Award: [Mike Ireland](#)

The Watershed Citizen Award is given to an individual who demonstrates a personal commitment to citizen engagement, project initiation or exceptional leadership that supports CRWD's mission.

Mike is a devoted community member and organizer who has taken the lead on so many outstanding community-led initiatives to protect Como Lake like the Como Lake Cleanups and the Como Curb Cleanups.



2 Watershed Partner Award: [Matt Morreim](#)

The Watershed Partner Award is given to an individual or organization that demonstrates through its policies, practices or projects a commitment to CRWD's mission by consistently implementing innovative stormwater management solutions.

With the City of Saint Paul Public Works, Matt organized "smart salting" workshops in collaboration with CRWD and created a course at the state fair-grounds to help his crew practice some of these skills.



3 Watershed Outreach Program Award: [Minnesota Horticultural Society's MN SEED Program](#)

The Watershed Outreach Program Award is given to an organization that demonstrates a commitment to CRWD's mission through its policies, practices or projects by connecting residents to clean water practices through education, art, and other means.

The Minnesota Horticultural Society launched its MN SEED Program in 2020 with the goal of educating and engaging the public in native seed saving. The program collaborates with community partners to host educational events about collecting, processing, and propagating native seeds.



4 Young Watershed Steward Award: [MN Valley National Wildlife Refuge Interns](#)

The Young Watershed Steward Award is given to a young person or group of young people who have undertaken projects that exemplify a commitment to CRWD's mission.

The Minnesota Valley National Wildlife Refuge interns conducted restoration activities at Willow Reserve in Saint Paul's North End, including trash pick-up, mulching the walking trails, and conducting two bumble bee surveys to help determine the quality of habitat in the Reserve.



Recognition & Awards

2022 Recognition & Awards Ceremony (cont.)

5 Watershed Project Award: [Highland Bridge](#)

The Watershed Project Award is given to an organization, group or individual for a project that demonstrates an innovative and effective solution for protecting, managing and improving water resources of CRWD.

Work began over a decade ago to create a vision for the site of the former Ford Assembly Plant in the Highland Park neighborhood of Saint Paul. Many organizations and dozens of individuals have contributed to the planning and implementation of Highland Bridge. The final project is transformational for the community and for the approach to water management in Minnesota and Nationally.



6 Environmental Leadership in Construction Award: [Jim Dupay](#)

The Environmental Leadership in Construction Award is given to an individual or organization that demonstrates excellence and a commitment to CRWD's mission by implementing exemplary stormwater protection measures throughout the duration of a project.

Jim Dupay of Rochon Corporation embraced the water quality goals of inspections and proactively reviewed plans to ensure the proper installation of the site's filtration system which will remove sediment and trash from parking lot runoff for years to come.



7 Lifetime Stewardship Award: [Patricia Cavanaugh](#)

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

As a longtime member of CRWD's Community Advisory Committee, Patricia (Pat) Cavanaugh was a part of several firsts for CRWD. She sat on the first Diversity, Equity and Inclusion (DEI) committee, which was instrumental in the development of CRWD's first DEI Plan. Pat's research became the foundation for the District's first history report that showcases our early beginnings and landmark projects. Pat always brought a sense of curiosity and passion for CRWD's work.

We lost Pat unexpectedly in 2022, but her legacy lives on in our work and the world in so many ways. We appreciate Pat's many contributions and miss her presence.



Recognition & Awards



Roseau River Watershed District Administrator Tracy Halstensgard (left) presented the Outstanding Watershed Administrator award to Mark Doneux (right).

State Recognition

Mark Doneux, 2022 Outstanding Watershed Administrator, Minnesota Association of Watershed Administrators

Bob Fossum, 2022 Outstanding Watershed District Employee, Minnesota Board of Water and Soil Resources



BWSR Executive Director John Jaschke (left) presented the Outstanding Watershed District Employee award to Bob Fossum (right).

Board, CAC & Staff Recognition

Rick Sanders, Board Manager of 5 Years

Tom Elko, CAC Member of 5 Years

Mary Lilly, CAC Member of 5 Years

Richard Weil, CAC Member of 10 Years

Michelle Ulrich, CAC Member of 15 Years

Lindsay Schwantes, Staff Member of 10 Years

Joe Sellner, Staff Member of 10 Years

Forrest Kelley, Staff Member of 15 Years

Sarah Wein, 2022 Outstanding Employee Award

State & National Project & Program Presentations

In 2022, staff presented the work of CRWD at conferences held regionally, virtually, and throughout the country.

Mark Doneux

The People Side of Watershed Management Staff Development Workshop

Minnesota Association of Watershed Districts (MAWD) Conference

Mark Doneux & Forrest Kelley

Tour of CRWD Office and Allianz Field Rainwater Reuse System

Workshop for the Metropolitan Airports Commission

Anna Eleria

Tour of CRWD Office and Allianz Field Rainwater Reuse System

Water Environment Federation Stormwater Summit

Anna Eleria & Forrest Kelley

Tour of Allianz Field Rainwater Reuse System
American Planning Association

Bob Fossum

Ford Site to Highland Bridge Project

Water Environment Federation Stormwater Summit

Belinda Armstead

Diversity, Equity, and Inclusion (DEI) in Watershed Work
MAWD Conference

Luke Martinkosky

Does Your Stormwater Model Account for Soil Compaction?
MAWD Conference

Lindsay Schwantes

Transforming Water Management Through the Arts
Minnesota Water Resources Conference

Our Work



CRWD transplanted native aquatic plants in Como Lake.

Water Resources of 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

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 cracks and spaces in soil, sand, and rock. In Ramsey County, it is used for heating, cooling, and manufacturing processes. Saint Paul Regional Water Services occasionally 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 near Larpentour Avenue in Roseville, Willow Reserve 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 in a highly urbanized watershed. Como Lake and its associated parkland are a major regional recreational amenity, hosting up to 4.5 million visitors annually. 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 like phosphorus from decomposing organic material 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 showed significant progress toward meeting the standard. Continued work in and around the lake will be required to fully meet the water quality standard.

CRWD developed a new management plan for Como Lake that was adopted in May 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 (projects inside the lake that focus on plants/animals/sediment

Our Work



Little Crosby Lake in the winter.

Water Resources (cont.)

conditions) actions that can be taken to achieve desired water quality goals. Construction of water quality projects at Como Lake Pavilion and Clubhouse parking lots were completed in 2022 to help address the external loading of phosphorus before stormwater runoff flows to the lake.

In 2020 and 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 2021 and 2022, over 4,500 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.

Common carp can have negative impacts on water quality by stirring up the lake bottom and uprooting aquatic plants while feeding. In 2022, CRWD tracked the carp population in Como Lake and removed 10% of the population through netting. CRWD plans to continue carp removal efforts in the future to further reduce the population.

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 the Mississippi River flooding.

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.

Our Work



'Connecting Community to Lake McCarrons through Public Art' Artists from left to right: Briauna Williams, Venla Vang, and Fresh Vibes.

Water Resources (cont.)

Loeb Lake

Loeb Lake is a 9.7-acre lake with an average depth of nine feet and a 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 2022.

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.

In the fall of 2022, Rice & Larpenteur Alliance installed art wraps on Rice Street utility boxes near Lake McCarrons County Park in Roseville, photos above. Artists Briauna Williams, Venla Vang, and Fresh Vibes created the designs through the 'Connecting Community to Lake McCarrons through Public Art' program, supported by a 2021 CRWD Partner Grant.

Our Work

Projects

Highland Bridge

Sustainable Stormwater Management

Highland Bridge is a new community in Saint Paul at the site of the former Ford Assembly Plant. 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 Highland Bridge community is a beautiful landmark atop a once-industrial stretch of our precious Mississippi River bluffs. Treated stormwater fills the central water feature, flowing to the re-imagined Hidden Falls Creek before emerging at the new Mississippi Boulevard Crossing, tumbling over its namesake falls, and ending at the Mississippi River. The water is surrounded by paths, rain gardens, and inviting nature stretches. All are enhanced with expansive vistas from the river bluffs.

Before redevelopment, stormwater runoff from the 122-acre site primarily drained to Hidden Falls Creek, which flows to the Mississippi River. The hard surfaces like roofs and parking lots at the site sent runoff downstream without treatment. The new shared stormwater systems at Highland Bridge will capture and clean 64 million gallons of runoff annually, preventing an estimated 28 tons of total suspended solids and 147 pounds of phosphorus from entering the Mississippi River each year.

Sustainable stormwater management improves water as it flows through Highland Bridge into Hidden Falls and the Mississippi River. We created a map to show the Sustainable Stormwater Management for Highland Bridge on page 15. The blue arrows on the site map illustrate how water flows to the water features, rain gardens and underground stormwater treatment areas.

About This Project

Phase: Active construction

Percent completed: 90%

Estimated end date: 2022

CRWD funding: \$1,721,063

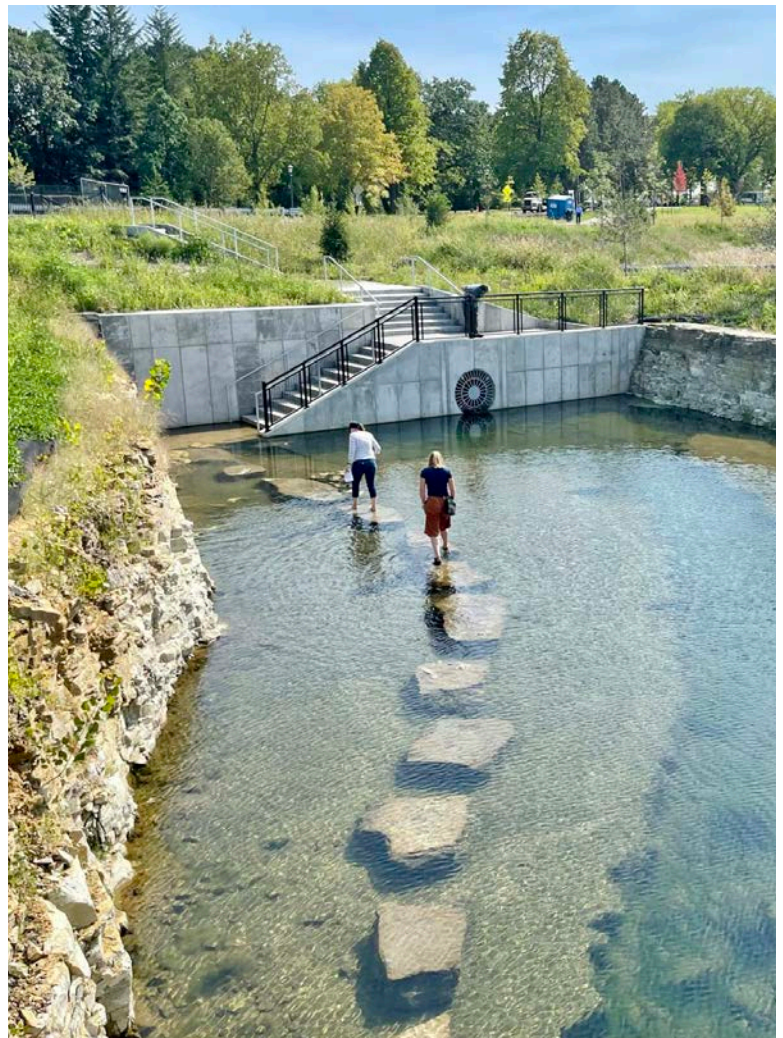
Water body: Mississippi River

Site size: 122 acres

Water treated each year: 64 million gals.

Phosphorus removed each year: 145 lbs.

Visitors enjoy stepping stones in the reimagined Hidden Falls Creek.



Our Work

Sustainable Stormwater Management for Highland Bridge



Legend

- | | |
|----------------------------------|----------------------------------|
| Highland Bridge Project Boundary | Rain Gardens |
| Water Diversion Structure | Open Water |
| Water Flow Direction | Underground Stormwater Treatment |

Note: Building footprints are based on 2020 conceptual plans, constructed building design may vary from what is shown

Our Work

Projects (cont.)

Shared Green Infrastructure

The City of Saint Paul and CRWD planned for a comprehensive stormwater management approach and a reimagined Hidden Falls Creek, eliminating the need for individual treatment systems scattered across the site. This method, known as shared, stacked green infrastructure, reduces the overall cost of managing stormwater on the site while adding beauty, wildlife habitat, and recreational opportunities.

Regional Stormwater Treatment

The Highland Bridge community benefits from a shared regional stormwater approach. Several large clean water practices, both at the surface and underground, capture and filter stormwater runoff from the 122-acre site to reuse in the central water feature and Hidden Falls Creek. The stormwater systems include underground storage, filtration chambers, and extensive rain gardens.

Gateway Park in the northwest corner of the site, on the map between Ford Parkway and Bohland Avenue, has large biofiltration basins. The basins look like rain gardens, but below the plants and soil, there are drainage pipes and iron-enhanced sand to remove dissolved phosphorus, a pollutant in the water that fuels algae growth. Iron filings mixed into sand create a bond with phosphorus, removing it from the water before it drains to the Mississippi River. The park will receive water from parts of Mount Curve Boulevard and Bohland Avenue and the surrounding area.

Central Water Feature & Hidden Falls Creek

The central water feature receives filtered stormwater before flowing south to the reimagined Hidden Falls Creek. Both offer recreational opportunities for visitors, provide habitat for wildlife, and add beauty to the site.

The central water feature, on the map from Bohland Avenue and running south to Montreal Avenue, receives water from the underground stormwater treatment system and the surrounding site.



Aerial view of central water feature at Highland Bridge.
Photography by the Drone Brothers from Ryan Companies.

Mississippi Boulevard Crossing

The reimagined Hidden Falls Creek flows to Hidden Falls Regional Park and over the existing Hidden Falls through a 90-foot tunnel underneath Mississippi River Boulevard. Adjacent to the creek, a paved pedestrian and bike path follows the creek through the tunnel and ends at a plaza overlooking Hidden Falls.

On the map, the reimagined Hidden Falls Creek begins south of Montreal Avenue and extends to the new crossing underneath Mississippi River Boulevard. The creek drains water from the central water feature and surrounding rain gardens and landscaping before flowing to its namesake falls and through Hidden Falls Regional Park to the Mississippi River.

Combined, the stormwater systems at Highland Bridge will capture and clean 64 million gallons annually. This will prevent an estimated 28 tons of total suspended solids and 145 pounds of phosphorus from entering the Mississippi River each year. The projects protect the downstream Hidden Falls with a 98% reduction in peak flows.

Before redevelopment, polluted runoff would travel to the river without any treatment. This project reduces total suspended solids by 94% and total phosphorus by 75%, a significant improvement for water quality. By cleaning and reusing stormwater in the central water feature, rain becomes a resource instead of waste.

Our Work



Aerial view of the Minnesota State Capitol complex.

Projects (cont.)

Capitol Area Stormwater Management Study

Capitol Region Watershed District (CRWD) and Capitol Area Architectural and Planning Board (CAAPB) are partners on a stormwater management study to understand water quality and quantity issues in the Capitol Area and identify regional green infrastructure opportunities for improved stormwater management. The study area is approximately 333 acres including 60 blocks in the City of Saint Paul and has four distinct areas:

- >> **Capitol Campus** – the Capitol building and Mall, east campus, and the surrounding area.
- >> **Capitol Rice District** – the area to the west of the Capitol that includes the Sears Redevelopment Site.
- >> **Capitol Heights** – a neighborhood to the north of the Capitol with steep hillsides and runoff that impacts districts in every direction.
- >> **Fitzgerald Park** – five city blocks southeast of the Capitol campus south of the I-94 – I-35E freeway corridor.

About This Project

Phase: Study

Estimated end date of study: Fall of 2023

CRWD funding: Approx. \$150,000

Water body: Mississippi River

Study area size: 333 acres

CAAPB completed its 2040 Comprehensive Plan for the Minnesota State Capitol Area in 2021. The plan seeks to transform the Capitol Area into a healthy community with vibrant public spaces, a range of movement options, diverse land uses and attractive buildings framing lively, pedestrian-friendly streets. Projects in this area must apply a holistic lens of economic vitality, energy and environment, health, placemaking and communities to their design. Visions abound in the new plan, including the restoration of a walkable diverse urban village pattern at the former Sears site, mobility hub and streetscape improvements in the Capitol Rice corridor, and planning for the landscape of the Capitol Mall.

Our Work

Projects (cont.)

CRWD and CAAPB believe that stormwater management strategies will be integral to achieving the broader vision and goals in the Capitol Area comprehensive plan. Key stakeholders of the study include the State of Minnesota Department of Administration, Minnesota Department of Transportation, the City of Saint Paul, Ramsey County, large property owners such as Seritage (owner and developer of the former Sears Site), District planning councils, hospitals, families living several residential districts, and other community organizations.

The goal of the study is to create a framework for sustainable and resilient district stormwater management systems. District systems serve more than one parcel (public or private) and can provide additional functions and amenities beyond solely managing stormwater runoff. Green infrastructure practices protect, restore or mimic the natural water cycle by capturing stormwater runoff and reusing it, or allowing it to soak into the ground instead of flowing into storm sewers and the Mississippi River.

The study includes the following tasks:

- >> Assessment of existing stormwater conveyance, management and water-related concerns in the Capitol Area.
- >> Development of area-wide stormwater design guidelines.
- >> Identification of district stormwater management system opportunities.
- >> Generation of ideas for context-sensitive management practices in focus areas.
- >> Estimation of the environmental-social-financial benefits of each district stormwater system in the Capitol area.

This study will help inform, guide and streamline stormwater management for Capitol Area redevelopment and transportation improvement planning efforts including the Sears Redevelopment Site and Purple Line Bus Rapid Transit.

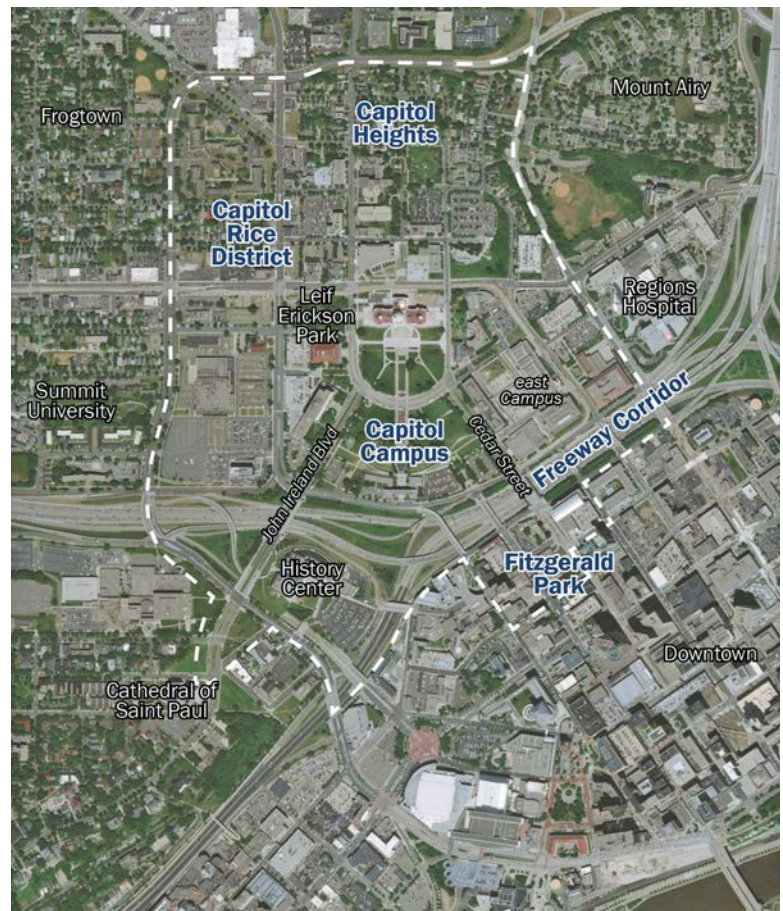


Above: 12th and Cedar Street intersection in Saint Paul.

Below: The Minnesota State Capitol building at sunset.



Capitol Study Area Overview.



Our Work

Projects (cont.)

River Balcony and River Learning Center

The City of Saint Paul adopted the Great River Passage Master Plan in 2013 to create a framework for vibrancy in the City's 3,500 acres of parkland along the 17-mile stretch of the Mississippi River. The Great River Passage Conservancy (GRPC), an independent, non-profit fundraising and advocacy organization, was created to support capital projects including the River Learning Center located at Watergate Marina in Crosby Farm Regional Park, and River Balcony, a 1.5-mile promenade that will connect a series of public spaces, civic landmarks and development sites along Downtown Saint Paul's river bluff between the Science Museum and Union Depot.

In 2022, CRWD provided a \$75,000 grant to GRPC to support stormwater management planning and communication and engagement for the year-long schematic design processes which took place concurrently. CRWD staff participated in technical advisory and stakeholder committees and provided feedback to the design team. Final schematic designs for both sites were shared publicly in the fall of 2022 and are available on the [River Balcony](#) and [River Learning Center](#) project websites.

River Balcony Kellogg cut overlook. Renderings on this page from Great River Passage Conservancy and the City of Saint Paul.



About This Project

Phase: Planning

CRWD funding: \$75,000 planning funds to date

Water body: Mississippi River

River Learning Center waterfront walk.



Our Work

Projects (cont.)

Thomas Building Improvements

In late 2022, CRWD began construction on the District's Thomas Building directly west of the main office. CRWD purchased the building along with the main office in 2017. Behind the building, under the south end of the parking lot, CRWD constructed a beneficial infiltration system.

The Board approved funding for building renovations to allow for storage while maintaining availability for CRWD's future needs. Extensive work on the interior of the building includes:

- >> leveling a multi-level floor
- >> removing and replacing sanitary sewer lines
- >> new restrooms
- >> new electrical and lighting
- >> mechanical room for heating, ventilation, and cooling

About This Project

Phase: Active construction

Estimated end date: 2023

CRWD funding: Approx. \$3 million

Site size: Approx. 30,000 square feet

Improvements to the exterior include a new roof, windows, entrances, lighting, and siding. The contractors removed the asphalt along the north side of the building and CRWD is working with community partners to plant native wildflowers and grasses in 2023.

Improvements to the building enabled the District to lease a portion of the space to Great River Greening for their field operations. The project will add a 3,000-gallon cistern to collect rainwater from the building's 8,000-square-foot roof. Great River Greening will use the water at their restoration sites around the District. CRWD plans to use the water for future irrigation and facility management needs.



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

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 were included as the overall design progressed in 2022. Design work will continue in 2023. 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

Our Work



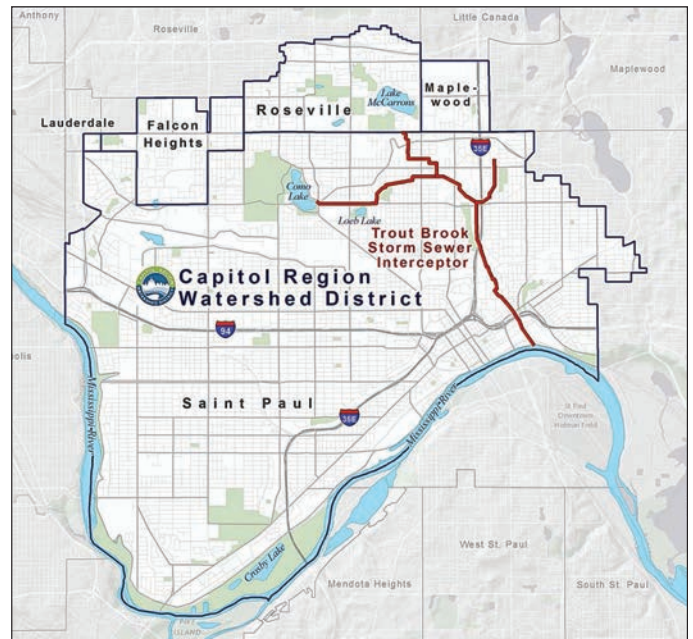
CRWD staff and contractors inspect tunnel repairs.

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.

CRWD completed repairs in over 2,000 linear feet of tunnel located between Cayuga Street and Phalen Boulevard in Saint Paul, MN in spring 2022. This section of TBI was generally in fair to poor condition. Typical defects in the tunnel included deteriorating concrete, exposed surface reinforcement, cracks and fractures, sediment build-up, and a small section of exposed tunnel at the ground surface. The total cost of repairs was nearly \$1M.



In fall 2022, CRWD began designing repairs for a 4,000-foot section of tunnel located between Willow Reserve and Arlington Park in Saint Paul. Defects are similar to the ones repaired earlier in the year. Construction of the repairs are anticipated to start in late 2023.

Our Work



Cleaning storm drains can be a family-friendly activity.

Communications & Engagement

2,000+ residents engaged

1,200+ youth engaged and 20 schools

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

14 newsletters to residents

62,669 website page views

Communications & 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 2,000 residents through in-person or virtual platforms as part of over 25 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 2022 due to COVID-19 concerns, however, we were able to participate in some outdoor events and even some indoor events later in the year as gatherings became more common.

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 2022, the program had 143 new participants. There are now 3,022 storm drains adopted in the District with 2,800 in Saint Paul, 133 in Roseville, 33 in Falcon Heights, and 3 in Maplewood. In 2022,

volunteer efforts reported removing over 26,000 pounds of leaves, grass, sediment, and trash from storm drains and prevented over eight 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.

Hamline University's Center for Global Environmental Education introduced the Adopt-a-Drain program to K-12 schools in CRWD's focus areas. The Adopt-a-Drain K12 initiative successfully developed relationships with the staff and faculty throughout the District's focus areas,

Adopt-a-Drain

26,264.6 lbs. of material near storm drains removed by volunteers!

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

143 new Adopt a Drain volunteers

268 new storm drains adopted in the District

Our Work



CRWD's Minnesota Water Stewards planted five new curb-cut rain gardens in Roseville.

Communications & Engagement (cont.)

Minnesota Water Stewards

CRWD completed its seventh 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 2022, 468 residents have partnered with watershed districts, management organizations and cities throughout the Twin Cities Metropolitan Area to participate in this training program. CRWD sponsored four new Stewards and continued to support 26 individuals who have completed the certification and live within the District. Training courses for the 2022 class concluded in April. After finishing the training curriculum, Stewards began their Capstone Projects. Capstone projects included involvement in building a clean water project as well as an

Minnesota Water Stewards

- 4 new water stewards
- 26 graduated water stewards
- 121 hours of volunteer service in 2022
- 600+ native plants installed at
- 5 curb-cut rain gardens

outreach component. The 2022 class of Water Stewards helped to plant five curb-cut boulevard rain gardens in the Lake McCarrons watershed. The new stewards also developed rain garden education resources for Ramsey County Master Gardeners and began a pilot of the Low Salt, No Salt campaign in CRWD. The graduated stewards reported over 121 hours of volunteer services in 2022 that included boulevard rain garden inspections, on-site home consultations with grantees and rain garden restoration work. Engagement continued to be a challenge in 2022 but many of CRWD's Water Stewards participated in several virtual group check-ins and native seed.

Our Work

Communications & Engagement (cont.)

Field Guide for Working with Artists

CRWD completed the Field Guide for Working with Artists in 2021 and in 2022 continued to share this resource with colleagues and partners as an example of how to embed Art and Artists into the work of watershed management. 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 artistic approaches that include a residency model, short-term engagement, internships, commissions and inclusion of artists on project teams. Staff and our former Artist in Residence, Christine Baeumler, had the honor of presenting on a panel at the Minnesota Water Resources Conference in October. The session was titled Transforming Water Management Through the Arts and was attended by approximately 70 colleagues in the field.

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. Because of the changes in how people are interacting with websites and social media, a survey was conducted of Watershed Partners members in 2022 to understand what communications outputs that the collaborative group creates were most valuable. The survey results indicated that partners still value the Clean Water MN site and resources and would value more image and video resources. The Clean Water MN site generated over 9,000 unique page views in 2022.

Adopt-a-Drain is available to residents in the Twin Cities Metro Area, as well as many communities in greater Minnesota. Membership grew to more than 10,000

participants who have adopted more than 19,000 storm drains. 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. Promotion on social media also focused on creating short-form videos. Instagram alone generated 87,034 video views. The Minnesota State Fair booth was well attended and generated 461 Adopt-a-Drain sign-ups and the milestone of 10,000 adopters in Minnesota was met.

Young drain adopters cleared leaves from their storm drain.



Our Work



Lower Phalen Creek Project hosted Dream of Wild Health Youth Leaders for a cleanup at Bruce Vento Nature Sanctuary, 2022 Partner Grant.

Communications & Engagement (cont.)

Winter Roads and Turfgrass Maintenance Workshops

CRWD partnered with Fortin Consulting to host two Winter Roads Maintenance Workshops to certify 39 Saint Paul Public Works snowplow operators in 2022. The District also hosted one-hour refresher sessions for over 20 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 provide techniques to achieve chloride reductions during application.

Digital Communications

CRWD sends a monthly newsletter with news, events and relevant watershed topics to its main subscriber list. The District sends a Clean Water Projects Maintenance Tips newsletter to a list of clean water project grantees three times a year. This newsletter contains project-specific maintenance reminders, along with a featured native plant and a weed to watch for.

The District regularly maintains capitolregionwd.org with up-to-date information such as meetings, events, projects, and legal notices. CRWD shares posts and engages with residents and partners on relevant social media platforms like Facebook, Instagram, and LinkedIn.

Our Work



Urban Roots at Paddle with a Purpose at Como Lake, 2022 Partner Grant.

Grant Programs

2022 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 grant programs are to:

1. Improve water quality
2. Increase groundwater recharge
3. Protect plant and wildlife communities
4. Raise stormwater pollution prevention awareness among residents

The District's grant programs are available to residents of

2022 grants

21 Clean Water Project Grant Awards:
\$126,003

22 Native Landscape Grant Awards: \$22,000

16 Maintenance Grant Awards: \$18,864

5 Well-Sealing Grant Awards: \$3,750

13 Partner Grant Awards: \$159,652

the District as well as public agencies, businesses, schools, and nonprofit organizations that are located and/or conduct work in the District. Grant programs include Clean Water Project, Native Landscape, Maintenance, Well-Sealing, and Partner grants. In 2022, 77 grants totaling \$330,269 were awarded through CRWD Grant programs for projects and programming throughout CRWD.

Our Work

Partner Grants

Clean Water Project Grants

Clean Water Project Grants help build clean water projects that prevent stormwater pollution and promote water resource stewardship. Through this grant program, CRWD offers free technical assistance for designing clean water projects, such as rain gardens and shoreline restorations.

The Clean Water Project Grant Program awarded \$126,003 in grants to 21 projects including rain gardens, permeable pavement, boulevard curb-cut rain gardens, cisterns, shoreline stabilizations, and turf conversion. Site evaluations and Clean Water Proposals with project recommendations were completed for 51 participants and construction plans were developed for 22 future projects.

Notable Clean Water Project Grant projects completed in 2022 include a series of shoreline restoration projects along Lake McCarrons, a rainwater harvesting and reuse system and permeable pathway at the Peace Sanctuary Garden off University Avenue in Saint Paul, and a new rain garden and water reuse system at The Lily Pad Community Garden in the Frogtown neighborhood. Additionally, CRWD'S successful Curb Cut Rain Garden program continued with the construction of five boulevard rain gardens in Roseville. The rain gardens capture polluted water from city streets and remove an estimated 2.3 lbs. of total phosphorous, 770 lbs. of sediment, and over 49,000 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.

Native Landscape Grants

CRWD is emphasizing program expansion in the Focus Areas of Saint Anthony Hill, Trout Brook, Urban and Phalen Creek subwatersheds. They have fewer grant projects than other areas of the District and overlap with communities of historically underrepresented groups. The District launched the new Native Landscape Grant Program in 2022, which provides funding to build native landscaping in CRWD'S Focus Areas. The new Native

Landscape Grant Program awarded \$22,000 in funding for 22 projects within CRWD'S Focus Area including native gardens and bee lawns. Of the 2022 Native Landscape Grants, seven projects were located in the Saint Anthony Hill subwatershed, 11 in the Trout Brook subwatershed, two in the Urban subwatershed, and two in the Phalen Creek subwatershed.

Maintenance Grants

2022 was the first full year CRWD offered its new Maintenance Grant program. Maintenance is a crucial part of any successful clean water project. Eligible projects receive 50% reimbursement up to \$2,000/year to purchase supplies or hire a contractor to complete maintenance work. Grantees in CRWD'S Focus Area receive 75% reimbursement. Grantees can use volunteer labor to count toward their match requirement. Projects are eligible for the entire length of their effective life, usually 10 years or longer. In 2022, CRWD issued reimbursement for 16 projects, totaling \$18,864.

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 2022, five Well-Sealing Grants were awarded, totaling \$3,750. Since the program started in 2002, CRWD has issued 297 well-sealing grants totaling about \$144,000.

Rain garden installed with a 2022 Clean Water Project Grant.



Our Work

Partner Grants (cont.)

2022 Grants

CRWD Partner Grants range from \$5,000 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. CRWD is committed to engaging new and historically underrepresented groups and believes we can achieve cleaner waters through engagement across all communities. The District gives priority to projects that align with goals identified in its Watershed Management and Diversity, Equity and Inclusion Plans. Thirteen proposals were approved for 2022 Partner Grant funding totaling \$159,652. Partners continued to adapt to COVID-19 precautions and find alternative means of engagement and recruitment. Funding in 2022 supported many creative and innovative water-related art and education projects including leading

Partner grants

10,000+ Residents Engaged from Diverse Age and Ethnic Backgrounds

1,300 Youth Engaged at **17** Faith-Based Sites and **8** School Sites

outings at Saint Paul Parks through Saint Paul Parks and Recreation BIPOC Parks Ambassadors project to several community-led parks and curb cleanups near Como Lake coordinated by District 10, Como Community Council that collected over 300 lbs. of trash and prevented over 7 lbs. of Total Phosphorus from entering Como and the Mississippi River. In Progress hosted workshops and helped families experiencing grief produce an exhibit showing the human connection to water. We also saw a return to some larger events like the Little Africa Festival hosted by African Economic Development Solutions.

Organization	Project Name	Funding
African Economic Development Solutions	2022 Little Africa Festival and Parade. Water themed art and performances	\$10,000
Conservation Corps MN & IA	Youth Outdoors Natural Resource Service-Learning Program	\$5,500
D10 Como Community Council	Como Lake Cleanup and Educational Awareness	\$5,497
Friends of the Mississippi River	Environmental Stewardship Institute: Water Knowledge Network	\$19,995
Frogtown Green	Water Stewardship in Frogtown	\$14,100
Growing Green Hearts	Connect-the-Drops of Youth Leadership, Water Quality and Sense of Place	\$20,000
In Progress	Rain Watcher Project	\$20,000
Lower Phalen Creek Project	Mní Wakáŋ at Wakáŋ Tipi: Protecting Sacred Waters	\$8,500
Metro Blooms	Habitat, Clean Water, and Livability at Hampden Square	\$7,600
Parkview Center School	Parkview Water Project (PWP) 2022	\$13,380
Public Art Saint Paul	eARTh Lab Workshops	\$9,830
Saint Paul Parks and Recreation	BIPOC Parks Ambassadors	\$11,000
Urban Roots	Conservation Program	\$14,250
TOTAL		\$159,652

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 and customizable reporting.

Monitoring Locations

Of the 16 major subwatersheds in CRWD (see map on next page), seven have consistently been monitored for water quantity and quality within recent history (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 14 monitoring sites in 2022. At three of these stations, samples were collected during baseflow and stormflow periods.

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

Samples were only collected during stormflow periods at the remaining 11 stations, as these do not contain any baseflow. Water quality samples from these 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).

Monitoring and Research

77 water quality and quantity monitoring sites

9 new monitoring sites added in 2022

15 full water quality sites

4 rain gauges

3 lake water quality sites

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.

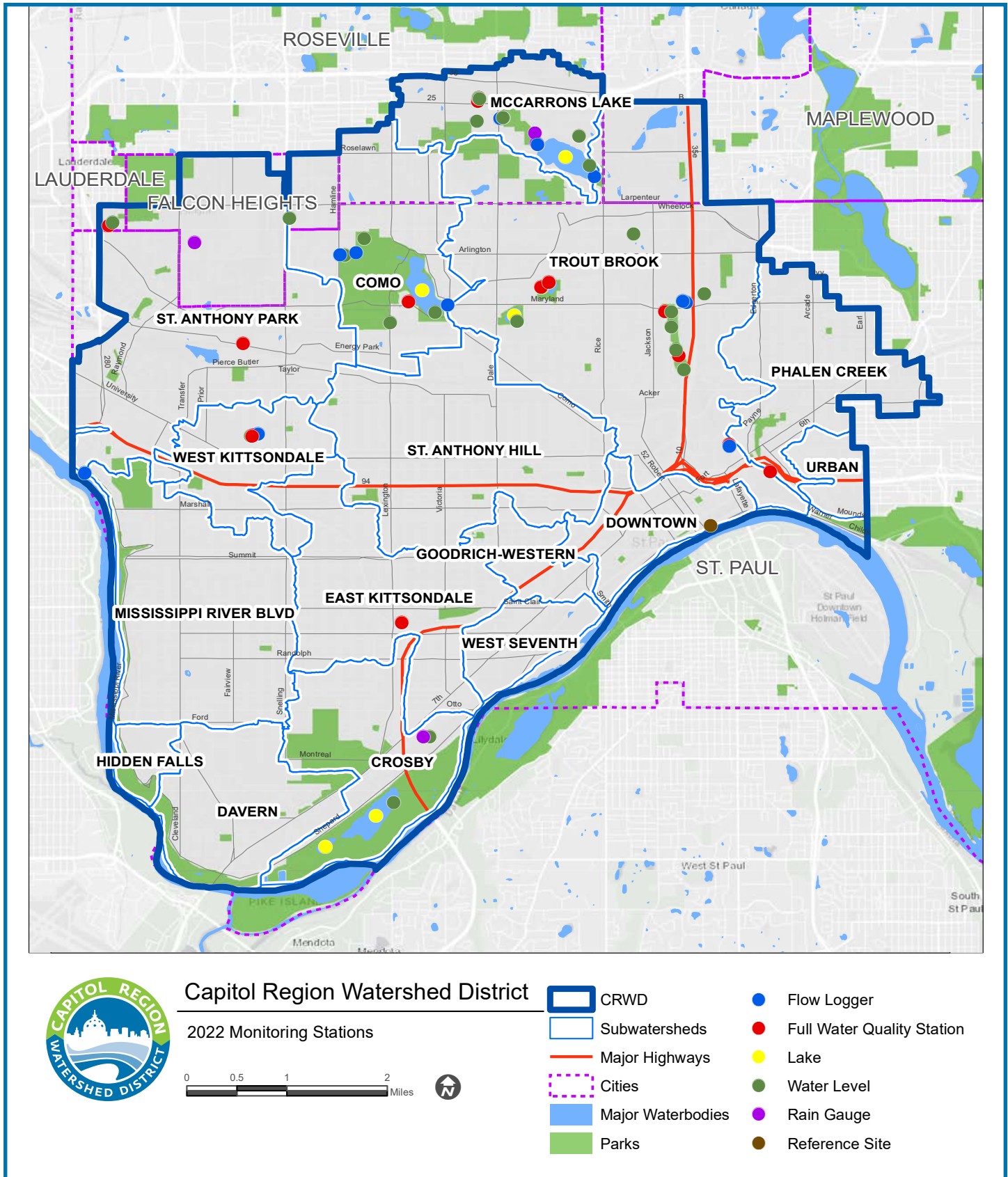
CRWD monitored 11 District wetlands in 2022 for plants. Previously, the plant and macroinvertebrate data collected was used to determine an Index of Biological Integrity for each wetland, which evaluates and indicates general wetland health on a numerical scale based on other large depressional wetlands 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.

Staff downloaded continuous monitoring data in Como Lake.



Our Work

Stormwater Monitoring Stations



Our Work

Water Quality Monitoring (cont.)

Climatological summary

Precipitation for the 2022 calendar year was below average in the Twin Cities for the third year in a row, with 22.01 inches of precipitation recorded in CRWD. This was 9.61 inches below the 30-year average. The most intense rainfall period of 2022 occurred on May 11. Rainfall occurring on this day contributed approximately 8.5% of the yearly total with 1.83 inches, and also had the highest 15-minute, 1-hour, and 24-hour intervals for the year. Overall, the winter of 2021-2022 (November 1, 2021-March 31, 2022) recorded below-normal snowfall. The snowfall total was 43.8 inches; 7.4 inches lower than the 30-year average of 51.2 inches. There was a consistent snowpack from late December through mid-March, and area lakes exhibited average ice-off timeframes, which occurred around April 5.

Lakes results summary

In 2022, 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 (an indicator of algae in the water), but generally met the standard for Secchi disk depth (a measure of water clarity) for the history of monitoring. While it again did not meet the standards for total phosphorus or chlorophyll-a in 2022, Como Lake continues to show improvement in these two measures as a result of management actions conducted in the last three years to improve water quality. Crosby Lake and Little Crosby Lake did not meet the state standard for total phosphorus in 2022 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 2022. 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.



Above: Staff sampled aquatic macro-invertebrates from Swede Hollow.

Below: Staff sampled spring snowmelt from a storm sewer.



Our Work

BMP Maintenance & Monitoring

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).

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 are coordinated by CRWD. Maintenance is crucial to ensure the BMPs are functioning properly. CRWD receives assistance with the maintenance of some of the BMPs from volunteers and other government entities. In 2022, most of the maintenance was completed by a private contractor who is experienced with the construction and maintenance of stormwater BMPs.

Arlington-Pascal

Many 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, 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.

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. In 2022, CRWD coordinated the removal of sediment and debris from the underground stormwater infiltration facility. The pretreatment structure for this system is cleaned twice a year, but the system itself had not been cleaned since project completion. Contractors estimated 50-60 cubic yards of solids and 12 trash bags worth of trash were removed.



Green Line

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.

Our Work

BMP Maintenance & Monitoring (cont.)

CRWD has estimated 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.

CRWD conducts monthly inspections to ensure that the BMPs are functioning as designed. Maintenance of the 14 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 Edgecumbe Road with residential properties at its top and base and the 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.

The 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.



Highland Ravine in Saint Paul.

In 2022, maintenance efforts included invasive species management of garlic mustard, burdock, Japanese knotweed, reed canary grass, and woody species such as buckthorn. Additionally, sediment was removed as needed from the pools in the ravine channel.

Our Work

BMP Maintenance & Monitoring (cont.)

Willow Reserve

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 2022, CRWD hired a contractor to manage invasive species including reed canary grass, common tansy, burdock, buckthorn, and garlic mustard. Additionally, volunteer groups assisted with buckthorn pulling, trail mulching, and trash pick-up. Monitoring data shows improved vegetation composition since restoration, which will continue to improve with consistent maintenance. To help determine the success of restoration efforts, CRWD hired a consultant to conduct wildlife and vegetation surveys. The consultant surveyed birds, frogs and toads, dragonflies and damselflies, and vegetation. They also reviewed CRWD's macroinvertebrate data and included results of bumble bee surveys that were conducted by volunteers. Results were compared to surveys done in 2015 before restoration work was completed, and compiled in a bioindicator report. There were clear improvements to the vegetation throughout the site, and several bird species were spotted that were not seen in previous surveys. Surveys conducted for additional years will provide needed information to determine whether there are any notable trends in wildlife populations.

In 2022, CRWD hired a consultant to design interpretative signage that will invite, inform, and guide



Bumble bee survey collection by a Minnesota Valley National Wildlife Refuge intern at Willow Reserve.

visitors through the Reserve. Designs were finalized in 2022 and signage will be installed in spring 2023.

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.

Our Work

BMP Maintenance & Monitoring (cont.)

CRWD Office and Grounds

CRWD moved into its current office location in 2018. The 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 2022, 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. Additionally, the contractor provided supplemental watering during drought conditions and replaced some trees and plants in the fall.

CRWD staff began monitoring in 2019 at multiple locations throughout the property to evaluate the performance of these various BMP types and to help determine maintenance needs.



Parkview Center School

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 2022, sediment and debris were removed from the pretreatment manhole and underground pipe storage. CRWD also coordinated the replacement of all

53 filter cartridges. The spent material from the cartridges was removed and the cartridges were returned to the manufacturer to be reused. New cartridges were installed with clean material that captures dissolved phosphorus.

CRWD staff began monitoring in 2020 after the system was fully online to provide data on the performance of the system and to better understand when maintenance is needed.



Allianz Field

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. 2022 was the third full year of CRWD managing the contractor.



Seminary Pond

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.

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 the fall of 2020 and concluded in the spring of 2021. Completed construction activities include the

Our Work

BMP Maintenance & Monitoring (cont.)

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 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. The project site's wetland and upland areas were also restored with native trees and plants.

In 2022, the construction warranty ended, and a contractor was hired to maintain the vegetation and best management practices onsite.



Como Golf Course

In 2018, CRWD began designing two stormwater treatment 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.

An iron-enhanced sand filter (IESF) bench was added to the stormwater pond at the northwest corner of the golf course.

Additionally, an existing infiltration basin designed to treat runoff from portions of Como Zoo was expanded and a large underground infiltration gallery was installed under the golf course fairway. The project was completed in the spring of 2021.

In 2022, a contractor was hired to maintain the golf course pond buffer, IESF benches, and infiltration benches. Contractors also repaired a portion of the infiltration basin side slope that failed during a large spring rainstorm. The infiltration basin and underground infiltration gallery remain offline until the plants seeded in the repair work area can become established.

Grant Inspections

Hundreds of BMPs have been installed throughout CRWD with support from the Clean Water Projects Grant program. 2022 was the first full year of CRWD's



Staff checked shoreline plantings at the Como Golf Course pond.

new Maintenance Grant program for eligible grantees to receive cost-share funding for expenses related to maintaining their clean water projects. 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 to provide feedback and technical assistance to grant recipients. Examples of inspected projects include rain gardens, permeable pavers, cisterns, and underground infiltration systems. In 2022, CRWD inspected 389 Grant BMPs. 86% of the inspected projects are well maintained and performing as designed. The most common maintenance needs were weed removal and sediment/ debris removal of inlets.

Grant Inspections

389 Grant project inspections

86% are well maintained and performing as designed

Our Work

Watershed Rules & 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, wetlands, and the Mississippi River. To achieve CRWD's goal of cleaner water resources, the Rules require volume reduction practices that capture 1.1 inches of rainfall over newly constructed impervious surfaces. This is most often achieved by infiltration of runoff into the soil. The next round of Rule revision work began in 2022 and updates are expected to be adopted in 2023. Permitting of Manufactured Treatment Devices (MTDs) continued in 2022, providing another effective option for developments to treat stormwater on-site.

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 & Elimination (IDDE)

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. Anything dumped in the street or in a storm drain will ultimately end up in our lakes, 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.

CRWD completed ground truthing inspections for the 2021 Priority Area Mapping project and confirmed

Permitting

795 permit inspections in 2022

27 permit applications

15 permits closed

302,025,011 gallons of stormwater runoff treated

that the land use and the illicit discharge risk factors for the chosen sub-subwatersheds were substantially like what was mapped using available digital information. Beginning in 2023, high risk sub-subwatersheds will be inspected throughout the year to proactively find and eliminate visible illicit discharges.

The IDDE program responded to five illicit discharge complaints, two were confirmed to be illicit discharges and cleaned up. CRWD coordinated with municipal and county partners to eliminate two longer-standing illicit discharges resulting from sanitary sewer cross connections and one illicit discharge resulting from improper material management at an industrial facility.

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.

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

Our Work

Watershed Rules & Permitting (cont.)

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 one temporary seasonal inspector and continued regular inspections in 2022 with minor procedural adjustments to follow the District's COVID-19 Response Plan.

CRWD's Permitting Program processed 27 new permit applications in 2022. 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	2022
Applications Received	25	24	30	37	37	27
Acres Disturbed	68	66	77	474	114	86
Acres Impervious	25	46	44	240	55	41
Alternative Compliance Sites	15	9	16	14	20	15
Standard Compliance Sites	10	15	14	23	17	12
Linear Projects	3	4	8	7	6	9
Total Linear Impervious (ac)	5.6	10.5	22.5	21.75	22.6	29.3
Total Linear Treatment (cf)	4,894	11,060	71,875	25,100	35,924	54,863
Infiltration Approved (cf)	21,597	165,685	108,457	135,521	84,042	40,088
Filtration Approved (cf)	115,553	22,063	100,946	74,156	17,129	50,997
Total Treatment Volume	137,150	187,748	209,403	209,677	101,171	91,085
Variances Requested	1	3	1	1	3	3
Variances Approved	1	3	1	1	3	3

Our Work

2022 District Finance Summary

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Operations fund balance increased by \$804,630 during 2022 due to fewer program related expenditures than anticipated. The District budgeted expenditures of \$6,173,587. Actual expenditures were \$1,546,339 less than expected.

The Capital Improvement fund balance increased by \$317,957 during 2022. This was primarily due to the Trout Brook BMP and the Mississippi River Confluence and Mississippi River Downtown Subwatershed BMPs projects coming in under budget.

The Debt Service fund balance decreased by \$1,813,647 during 2022 as a result of paying off the 2013A bonds. Proceeds in the amount of \$2,011,078 were received during 2021 upon issuing the 2021A bonds. The proceeds were 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 as of December 31, 2021.

Budgetary Highlights

Operations

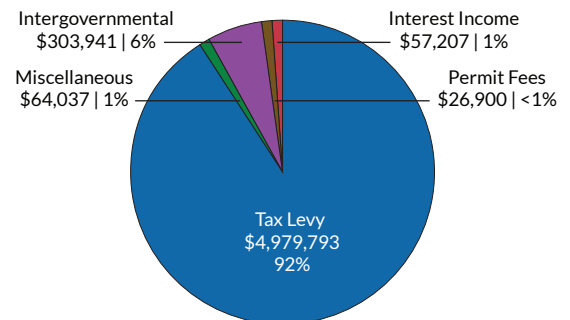
2022 actual revenue of \$5,431,878 was \$140,275 less than budgeted revenue of \$5,572,153. The 2022 actual expenditures of \$4,627,248 were \$1,546,339 less than the budgeted expenditures of \$6,173,587. The expenditure budget variance was due to several programs and projects that were under budget or projects not starting until 2023. Several projects and programs were delayed due to the COVID-19 pandemic.

Capital Improvement

Capital Improvement fund expenditures were under budget by \$3,210,709. This was primarily due to the Trout Brook BMP and the Mississippi River Confluence and Mississippi River Downtown Subwatershed BMPs projects coming in under budget.

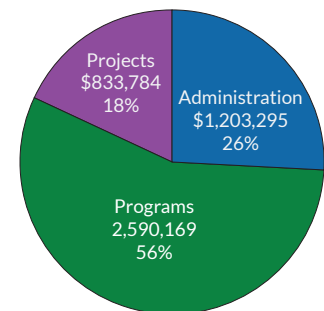
2022 Operations Revenue (actual)

Total \$5,431,878



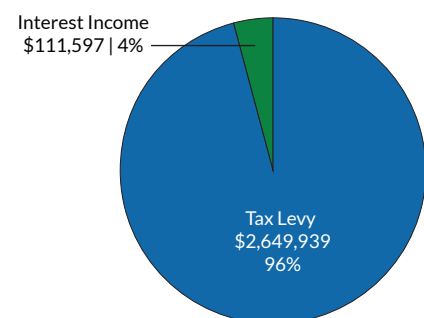
2022 Operations Expenditures (actual)

Total \$4,627,248



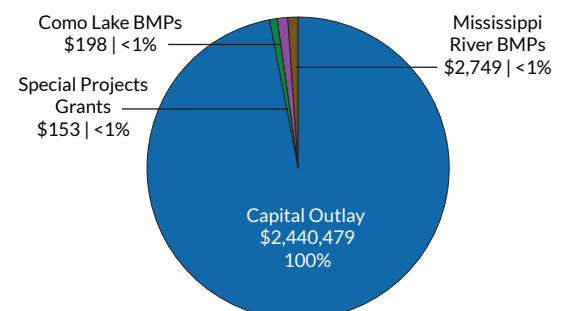
2022 CIP Revenue (actual)

Total \$2,761,536



2022 CIP Expenditures (actual)

Total \$2,443,579



Our Plans

List of terms used on pages 40–48

AIS	Aquatic Invasive Species
BMPs	Best Maintenance Practices
CAAPB	Capitol Area Architectural and Planning Board
CIP	Capitol Improvement Project
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
SWPP	Storm Water Pollution Prevention Plan
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
WMP	Watershed Management Plan

2022 Year In Review

Below is a complete list of 2022 CRWD projects.

Fund Name	Project Name
Adminstration	General Administration
	Community Advisory Committee
	External Funding Opportunities
	595 Aldine Operations
	1736 Thomas Operations
	MAWD
	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

Our Plans

2022 Year In Review (cont.)

Fund Name	Project Name
Regulatory Program (cont.)	Industrial Stormwater Permittee Coordination
	Water Reuse Policy Support
Grants Program	Stewardship Grants
	Stewardship Grant Outreach
	Grant Project Inspection and Maintenance
	ROW Projects-Boulevard Rain Gardens
	Well Sealing Grants
	Large-Scale Site Planning Grants
	WaterCorps Position
	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
	Partnerships
	Events
	Awards Program
	Youth Outreach Programs
	Partner Grant Program

Our Plans

2022 Year In Review (cont.)

Fund Name	Project Name
Communications and Engagement (cont.)	Public Art Program
	595 Aldine Communications and Engagement
Facility Management Program	District-Owned Facility Management
	Shared Ownership Facility Management
	Partner-Owned Facilities
	BMP Database
Groundwater Projects	Groundwater Springs and Seeps Study
	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
	Como Lake Trash Management
Lake McCarrons Subwatershed	Villa Park Wetland System Evaluation
	Watershed Hydraulic and Hydrologic Modeling
	Lake Vegetation and AIS Management
	Lake McCarrons Shoreline
Loeb Lake Subwatershed	Loeb Lake Stormwater Pond Improvements
Trout Brook Subwatershed	NPDES MS4 Stormwater Program
	TBI Model Update
	TBI Easement Verification & Documentation
Wetland, Stream and Ecosystem Restoration	Phalen Creek Daylighting Feasibility Study
	Willow Reserve Signage and Access
	Wetland Restoration Planning

Our Plans

2022 Year In Review (cont.)

Fund Name	Project Name
Mississippi River Confluence Subwatershed	Ford Site Stormwater Planning
	Ford Site – Area C
Mississippi River Downtown Subwatershed	Capitol Area Stormwater Plan
	Swede Hollow Feasibility Study
Watershed- wide Planning, Assessment and Implementation	Great River Passage - River Learning Center
	Great River Passage - River Balcony
	WMP Biennial Review
	Partner Agency Plan Review
	GIS Program
	District Chloride Assessment and Prevention Plan
Como Lake BMPs	Como Pavillion BMPs
	Como Subwatershed Infrastructure Mgmt
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
	Future CIPs (2022 - 400s)
	Thomas Building Capital Management

Our Plans

2023 Workplan

Fund Name	Project Name	Priority	Project Description
Adminstration	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 Implementa- tion	Critical	Continue implementing District Permit Program
	Coordinated Erosion and Sedi- ment Control Inspections	Critical	Coordinate erosion and sediment control inspections with partners
	Permittee Post Construction BMP Inspections	Critical	Inspect completed permit projects for compliance and mainte- nance
	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 advancement of SW reuse through policy initiatives
	Green Infrastructure Incentives	Beneficial	Support Green Infrastructure through regulatory incentives
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

Our Plans

2023 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Grants Program (cont.)	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
	Lake McCarrons Shoreline Restoration Grants	Important	Provide grants for shoreline restoration projects
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 Issue	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

Our Plans

2023 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Communications and Engagement (cont.)	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
	Teacher In Residence Program Exploration & Development	Critical	Teacher In Residence Program Exploration & Development
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

Our Plans

2023 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Lake McCarrons Subwatershed	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
Loeb Lake Subwatershed	Loeb Lake Shoreline Restoration		
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 Subwatershed Study	Important	Conduct subwatershed study on a priority TBI catchment
	TBI Easement Verification & Documentation	Important	Conduct TBI easement verification, acquisition and documentation work
Crosby Lake Subwatershed	Crosby Lake Management Plan		Update Crosby Lake Management Plan
	Crosby Farm Wetland Retrofit		Design wetland retrofit at outfall from Shepard road and 35E
Wetland, Stream and Ecosystem Restoration	Phalen Creek Daylighting Feasibility Study	Critical	Conduct feasibility study for the daylighting of Phalen Creek
	Willow Reserve Signage	Important	Develop and install signage and other project outreach initiatives
	Wetland Restoration Planning	Important	Develop Wetland Restoration and Management Plan
	Willow Reserve Access		Support City of Saint Paul in increasing access to Willow Reserve
	District 6 Natural Resource Restoration		Plan and implement natural resource area improvements
Mississippi River Confluence Subwatershed	Ford Site Stormwater Planning	Critical	Provide design and planning assistance for Ford Site
	Ford Site – Area C	Critical	Provide plan review and comments on Ford Site Area C
Mississippi River Downtown Subwatershed	Capitol Area Stormwater Plan	Important	Support SW planning efforts for CAAPB
	Swede Hollow Feasibility Study	Important	Conduct Feasibility Study to explore stormwater management options
	Phalen Creek Subwatershed Study		Conduct a water quantity and quality study in Phalen Creek subwatershed

Our Plans

2023 Workplan (cont.)

Fund Name	Project Name	Priority	Project Description
Watershed-wide Planning, Assessment and Implementation	Climate Science and Resiliency	Important	Develop Climate Resiliency Plan
	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	McMurray Field Stormwater BMP	Critical	McMurray Field stormwater BMP
	Como Subwatershed Infrastructure Mgmt	Important	Support Legacy infrastructure improvements within Como subwatershed
Trout Brook BMPs	TBI Repair – Station 28+65 - 50+72	Critical	Engineering design and construction for next segment of TBI repairs
Crosby Lake BMPs	Crosby Farm Park Wetland Retrofit	Critical	
Mississippi River Confluence	Ford Site	Critical	Support construction of water features on Ford Site
	Victoria Park	Critical	Support water features at Victoria Park
	Great River Passage - River Learning Center	Critical	Support projects associated with the River Learning Center
Mississippi River Downtown Subwatersheds BMPs	Great River Passage - River Balcony	Critical	Support design and construction of stormwater BMPs for the River
	Science Museum of Minnesota	Important	Support design and construction of Science Museum water management features
	Midway Peace Park	Important	Support green infrastructure at Midway Peace Park
Watershed-wide Capitol Improvement Projects	Debt and Loan Service	Critical	Annual payments for bonds and loans
	Future CIPs (2023 - 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	Rating	
	★ High Performance standard		I Annual Compliance II BWSR Staff Review & Assessment (1/10 yrs)	Yes, No, or Value	
	■ Basic practice or statutory requirement (see instructions for explanation of standards)			YES	NO
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 – Please enter month/year (i.e., 01/20)	II	06/2019	
	■	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 & appropriate delegation resolutions as warranted (N/A if not WCA LGU)	II	x	
	■	WD/WMO has knowledgeable & 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 & continuing ed. plan, record for each board member	II	x	
	★	Staff training: orientation & continuing 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 years	II	x	
	■	Maintains an active advisory committee during plan development	I	x	
	★	Strategic plan or self-assessment completed in last 5 years	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 & recommendations appropriately coordinated (if delegated WCA LGU)	II	x	
	★	Certified wetland delineator on staff or retainer	II	x	
	■	Total expenditures per year (past 10 years)	II	see below	
	★	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			
	★	Track progress for Information & Education 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	

Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenditures	\$5,237,929	\$4,315,546	\$4,626,518	\$4,741,988	\$7,224,203	\$13,209,972	\$7,848,203	\$8,134,533	\$7,028,977	\$8,637,728

Appendix B

Financial Statements & Audit

ANNUAL FINANCIAL REPORT

Year Ended December 31, 2022

**CAPITOL REGION WATERSHED
DISTRICT**

Ramsey County, Minnesota

- This page intentionally left blank -

CAPITOL REGION WATERSHED DISTRICT
TABLE OF CONTENTS

	<u>Reference</u>	<u>Page</u>
INTRODUCTORY SECTION		
Organization		3
FINANCIAL SECTION		
Independent Auditor's Report		7
Management's Discussion and Analysis		11
Basic Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position	Statement 1	20
Statement of Activities	Statement 2	21
Fund Financial Statements:		
Balance Sheet - Governmental Funds	Statement 3	22
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	Statement 4	23
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Statement 5	24
Notes to Financial Statements		25
Required Supplementary Information:		
Budgetary Comparison Schedule - Operations Fund	Schedule 1	44
Schedule of Proportionate Share of Net Pension Liability - General Employees Retirement Plan	Schedule 2	45
Schedule of Pension Contributions - General Employees Retirement Plan	Schedule 3	46
Notes to Required Supplementary Information		47
Supplementary Information:		
Budgetary Comparison Schedule - Capital Improvement Fund	Schedule 4	50
OTHER REQUIRED REPORTS		
Report on Internal Control		51
Schedule of Findings and Responses		53
Minnesota Legal Compliance Report		55

- This page intentionally left blank -

INTRODUCTORY SECTION

- This page intentionally left blank -

CAPITOL REGION WATERSHED DISTRICT
ORGANIZATION
December 31, 2022

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

- This page intentionally left blank -

FINANCIAL SECTION

- This page intentionally left blank -



INDEPENDENT AUDITOR'S REPORT

To the Board of Managers
Capitol Region Watershed District
Saint Paul, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Capitol Region Watershed District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Capitol Region Watershed District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Capitol Region Watershed District, as of December 31, 2022, and the respective changes in financial position 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 Capitol Region Watershed 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 the 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 Capitol Region Watershed 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Capitol Region Watershed 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Capitol Region Watershed 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, the budgetary comparison schedule, and the schedules of pension information, as listed in the table of contents, 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 opinions on the financial statements that collectively comprise Capitol Region Watershed District's basic financial statements. The accompanying budgetary comparison schedule for the capital improvement fund is presented for purposes of additional analysis and are 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 budgetary comparison schedule for the capital improvement fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 13, 2023



Capitol Region Watershed District

595 Aldine Street • Saint Paul, MN 55104

T: 651-644-8888 • F: 651-644-8894 • capitolregionwd.org

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Capitol Region Watershed District (the District) we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022.

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 \$23,554,309 (net position), of which \$15,171,404 represents a net investment in capital assets.

The District's total net position increased by \$3,133,833.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$11,685,703 compared to \$12,376,763 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 2022 and 2021.

	2022	2021
Current and other assets	\$14,223,011	\$14,023,286
Capital assets	23,584,084	22,140,167
Total assets	<u>\$37,807,095</u>	<u>\$36,163,453</u>
Deferred outflows of resources related to pensions	<u>\$517,234</u>	<u>\$705,332</u>
Payables	\$2,598,496	\$1,673,171
Other long term liabilities	12,148,958	14,019,260
Total liabilities	<u>\$14,747,454</u>	<u>\$15,692,431</u>
Deferred inflows of resources related to pensions	<u>\$22,566</u>	<u>\$755,878</u>
Net position:		
Net investments in capital assets	\$15,171,404	\$13,213,103
Restricted	293,713	145,879
Unrestricted	8,089,192	7,061,494
Total net position	<u>\$23,554,309</u>	<u>\$20,420,476</u>

As described in Note 10 to the financial statements, the District restated its 2021 capital assets and net position. Amounts in the management's discussion and analysis have been updated to reflect this restatement.

(unaudited)

Management's Discussion and Analysis

Governmental Activities

Governmental activities resulted in an increase of the District's net position by \$3,133,833. The details of the increase are as follows:

Capitol Region Watershed District's Changes in Net Position

	<u>2022</u>	<u>2021</u>
Revenues:		
Program revenues:		
Charges for services	\$26,900	\$44,500
Operating grants and contributions	300,092	113,761
Capital grants and contributions	-	-
General revenues:		
Property taxes	8,643,925	8,318,767
Unrestricted investment earnings	174,702	1,165
Miscellaneous other	64,037	214,600
Total revenues	<u>9,209,656</u>	<u>8,692,793</u>
Expenses:		
General government	4,803,339	4,555,796
Conservation of natural resources	981,493	2,209,863
Interest and fees on long term debt	290,991	377,435
Total expenses	<u>6,075,823</u>	<u>7,143,094</u>
Change in net position	3,133,833	1,549,699
Net position - January 1	<u>20,420,476</u>	<u>18,870,777</u>
Net position - December 31	<u><u>\$23,554,309</u></u>	<u><u>\$20,420,476</u></u>

The increase in net position is primarily due to levying property taxes and using those tax dollars for capital projects and principal payments on long-term debt. Neither expenditure has an effect on net position during the current year. In future years, depreciation expense will be recorded related to capital projects.

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 \$804,630 during 2022 due to fewer program related expenditures than anticipated. The District budgeted expenditures of \$6,173,587. Actual expenditures were \$1,546,339 less than expected.

The Capital Improvement fund balance increased by \$317,957 during 2022. This was primarily due to the Trout Brook BMP and the Mississippi River Confluence and Mississippi River Downtown Subwatershed BMPs projects coming in under budget.

The Debt Service fund balance decreased by \$1,813,647 during 2022 as a result of paying off the 2013A bonds. Proceeds in the amount of \$2,011,078 were received during 2021 upon issuing the 2021A bonds. The proceeds were 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 as of December 31, 2021.

Budgetary Highlights

Operations

2022 actual revenue of \$5,431,878 was \$140,275 less than budgeted revenue of \$5,572,153. 2022 actual expenditures of \$4,627,248 were \$1,546,339 less than budgeted expenditures of \$6,173,587. The expenditure budget variance was due to several programs and projects that were under budget or projects not starting until 2023. Several projects and programs were delayed due to the COVID-19 pandemic.

Capital Improvement

Capital Improvement fund expenditures were under budget by \$3,210,709. This was primarily due to the Trout Brook BMP and the Mississippi River Confluence and 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, 2022 amount to \$23,584,084, net of accumulated depreciation. This investment in capital assets is in equipment, buildings, and infrastructure. Accumulated depreciation was \$7,907,533 with current depreciation charges of \$996,562.

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

	December 31	
	2022	2021
Equipment	\$62,818	\$80,987
Buildings	11,266,598	11,697,151
Infrastructure	10,754,477	10,362,029
Construction in progress	1,500,191	-
Total	<u>\$23,584,084</u>	<u>\$22,140,167</u>

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

	Compensated Absences	Loans Payable	Bonds Payable	Net Pension Liability
December 31, 2022	\$117,676	\$46,301	\$10,456,415	\$1,528,566
December 31, 2021	<u>134,343</u>	<u>92,340</u>	<u>12,972,651</u>	<u>819,926</u>
Increase (decrease)	<u>(\$16,667)</u>	<u>(\$46,039)</u>	<u>(\$2,516,236)</u>	<u>\$708,640</u>

During 2013, the District issued \$3,000,000 in General Obligation bonds for watershed improvement projects. During 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.

(unaudited)

Management's Discussion and Analysis

2022 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 \$4,156,699 is 67% of budgeted expenditures, which is well in excess of the District's 50% fund balance policy requirement.

2022 ended with the District spending approximately 60% 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.

- This page intentionally left blank -

BASIC FINANCIAL STATEMENTS

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

December 31, 2022

Statement 1

	<u>Governmental Activities</u>
Assets:	
Cash and short term investments	\$14,033,638
Accounts receivable	\$10,544
Due from other governments	26,589
Property taxes receivable:	
Due from county	67,301
Delinquent	84,939
Capital assets - net of accumulated depreciation	23,584,084
Total assets	<u>37,807,095</u>
Deferred outflows of resources related to pensions	<u>517,234</u>
Total assets and deferred outflows of resources	<u><u>38,324,329</u></u>
Liabilities:	
Accounts payable	\$1,426,774
Salaries payable	44,800
Deposits payable	980,795
Accrued interest payable	146,127
Loans payable:	
Due within one year	46,301
Bonds payable:	
Due within one year	655,000
Due in more than one year	9,801,415
Compensated absences payable:	
Due within one year	117,676
Net pension liability:	
Due in more than one year	1,528,566
Total liabilities	<u>14,747,454</u>
Deferred inflows of resources related to pensions	<u>22,566</u>
Net position:	
Net investment in capital assets	15,171,404
Restricted	293,713
Unrestricted	8,089,192
Total net position	<u>23,554,309</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$38,324,329</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, 2022

Statement 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$4,803,339	\$26,900	\$300,092	\$ -	(\$4,476,347)
Conservation of natural resources	981,493	-	-	-	(981,493)
Interest and fees on long term debt	290,991	-	-	-	(290,991)
Total governmental activities	<u>\$6,075,823</u>	<u>\$26,900</u>	<u>\$300,092</u>	<u>\$ -</u>	<u>(5,748,831)</u>
General revenues:					
Property taxes					8,643,925
Unrestricted investment earnings					174,702
Miscellaneous					64,037
Total general revenues					<u>8,882,664</u>
Change in net position					<u>3,133,833</u>
Net position - January 1, as previously reported					21,077,674
Prior period adjustment					<u>(657,198)</u>
Net position - January 1, as restated					<u>20,420,476</u>
Net position - December 31					<u>\$23,554,309</u>

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

CAPITOL REGION WATERSHED DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2022

Statement 3

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
Assets				
Cash and short-term investments	\$5,463,397	\$8,148,650	\$421,591	\$14,033,638
Accounts receivable	10,544			10,544
Due from other governments	26,589	-	-	26,589
Property taxes receivable:				
Due from county	38,690	20,588	8,023	67,301
Delinquent	48,764	25,949	10,226	84,939
Total assets	5,587,984	8,195,187	439,840	14,223,011
Liabilities:				
Accounts payable	\$356,926	\$1,069,848	\$ -	\$1,426,774
Salaries payable	44,800	-	-	44,800
Deposits payable	980,795	-	-	980,795
Total liabilities	1,382,521	1,069,848	-	2,452,369
Deferred inflows of resources:				
Unavailable revenue	48,764	25,949	10,226	84,939
Fund balance:				
Restricted	-	-	429,614	429,614
Assigned	-	7,099,390	-	7,099,390
Unassigned	4,156,699	-	-	4,156,699
Total fund balance	4,156,699	7,099,390	429,614	11,685,703
Total liabilities, deferred inflows of resources, and fund balance	\$5,587,984	\$8,195,187	\$439,840	\$14,223,011
Fund balance reported above				\$11,685,703
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.				23,584,084
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.				517,234
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.				(22,566)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:				
Accrued interest payable				(146,127)
Loans payable				(46,301)
Bonds payable				(10,456,415)
Compensated absences payable				(117,676)
Net pension liability				(1,528,566)
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.				84,939
Net position of governmental activities				\$23,554,309

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, 2022

Statement 4

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
Revenues:				
General property taxes	\$4,979,793	\$2,649,939	\$1,030,638	\$8,660,370
Intergovernmental	303,941	-	-	303,941
Interest income	57,207	111,597	5,899	174,703
Permit fees	26,900	-	-	26,900
Miscellaneous	64,037	-	-	64,037
Total revenues	<u>5,431,878</u>	<u>2,761,536</u>	<u>1,036,537</u>	<u>9,229,951</u>
Expenditures:				
Current:				
General government:				
Salaries and benefits	2,036,830	-	-	2,036,830
Contracted personnel	953,245	-	-	953,245
Professional services	400,313	-	-	400,313
Construction maintenance and materials	149,140	-	-	149,140
Program cost share/grant expenses	373,979	-	-	373,979
Other services and charges	713,741	-	4,490	718,231
Conservation of natural resources	-	3,100	-	3,100
Capital outlay	-	2,440,479	-	2,440,479
Debt service:				
Principal	-	-	2,526,039	2,526,039
Interest	-	-	319,655	319,655
Total expenditures	<u>4,627,248</u>	<u>2,443,579</u>	<u>2,850,184</u>	<u>9,921,011</u>
Revenues over (under) expenditures	804,630	317,957	(1,813,647)	(691,060)
Fund balance - January 1	<u>3,352,069</u>	<u>6,781,433</u>	<u>2,243,261</u>	<u>12,376,763</u>
Fund balance - December 31	<u><u>\$4,156,699</u></u>	<u><u>\$7,099,390</u></u>	<u><u>\$429,614</u></u>	<u><u>\$11,685,703</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, 2022

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)	(\$691,060)
---	-------------

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	2,440,479
Depreciation expense	(996,562)

Accrued interest payable:

At December 31, 2022	(146,127)
At December 31, 2021	138,555

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:

Principal payment	2,526,039
Amortization of bond premiums	36,236

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, 2022	84,939
At December 31, 2021	(111,907)

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, 2022	(117,676)
At December 31, 2021	134,343

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.

(163,426)

Change in net position of governmental activities (Statement 2)

\$3,133,833

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

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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.

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 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 not received at the year-end are classified as property 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 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 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, 2022

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, 2022.

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, 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, 2022

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, 2022, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
Pooled with 4M fund	NA	\$ 14,033,638

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, 2022, all of the District's investments were pooled with the 4M fund.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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	\$48,764
Capital Improvement	25,949
Debt Service	10,226
Total unavailable revenue	<u><u>\$84,939</u></u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 5 CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Restated Beginning Balance	Increase	Decrease	Ending Balance
Capital assets not depreciated:				
Construction in progress	\$ -	\$1,500,191	\$ -	\$1,500,191
Capital assets being depreciated:				
Equipment	172,441	-	-	172,441
Buildings	12,916,598	-	-	12,916,598
Infrastructure	15,962,119	940,288	-	16,902,407
Total capital assets being depreciated	29,051,158	940,288	-	29,991,446
Less accumulated depreciation for:				
Equipment	91,454	18,169	-	109,623
Buildings	1,219,447	430,553	-	1,650,000
Infrastructure	5,600,090	547,840	-	6,147,930
Total accumulated depreciation	6,910,991	996,562	-	7,907,553
Total capital assets depreciated, net	22,140,167	(56,274)	-	22,083,893
Total capital assets, net	\$22,140,167	\$1,443,917	\$ -	\$23,584,084

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

Governmental activities:	
General government	\$18,169
Conservation of natural resources	978,393
Total	<u>\$996,562</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 6 LONG-TERM DEBT

During 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. During 2021, the District issued 2021A General Obligation Refunding Bonds to refund the 2013A bonds, which were originally issued to finance watershed improvement projects.

GOVERNMENTAL ACTIVITIES

As of December 31, 2022, long-term bonded debt and loans payable of the District consisted of the following:

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/2022
Tax Supported Bonds:					
\$9,690,000 Series 2018A	3.00%	2/15/2018	2/1/2038	\$9,690,000	\$8,180,000
\$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	396,415
Total bonded indebtedness				<u>12,100,133</u>	<u>10,456,415</u>
Loans payable:					
MPCA Loan Payable	2.00%	12/15/2013	12/15/2023	430,000	46,301
Total District indebtedness				<u>\$12,530,133</u>	<u>\$10,502,716</u>

As of December 31, 2022, annual debt service requirements to maturity are as follows:

	Revenue (Tax Supported) Bonds				Loans payable	
	Series 2018A		Series 2021A		MPCA	
	Principal	Interest	Principal	Interest	Principal	Interest
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	460,000	187,950	290,000	12,975	-	-
2028-2032	2,500,000	722,250	515,000	9,913	-	-
2033-2037	2,900,000	317,850	-	-	-	-
2038	635,000	9,525	-	-	-	-
Totals	<u>\$8,180,000</u>	<u>\$2,135,200</u>	<u>\$1,880,000</u>	<u>\$158,413</u>	<u>\$46,301</u>	<u>\$692</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Long-term liability activity for the year ended December 31, 2022 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
2013A general obligation bonds	\$2,090,000	\$ -	(\$2,090,000)	\$ -	\$ -
2018A general obligation bonds	8,570,000	-	(390,000)	8,180,000	405,000
2021A general obligation refunding bonds	1,880,000	-	-	1,880,000	250,000
Total bonds payable	12,540,000	-	(2,480,000)	10,060,000	655,000
Unamortized bond premium	432,651	-	(36,236)	396,415	-
Total bonded indebtedness	12,972,651	-	(2,516,236)	10,456,415	655,000
Loans payable:					
MPCA loan payable	92,340	-	(46,039)	46,301	46,301
Total long-term debt	<u>\$13,064,991</u>	<u>\$ -</u>	<u>(\$2,562,275)</u>	<u>\$10,502,716</u>	<u>\$701,301</u>

Note 7 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% for each of the first ten years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% 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.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

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.

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 6.50% of their annual covered salary in fiscal year 2022 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, 2022 were \$110,847. The District's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

At December 31, 2022, the District reported a liability of \$1,528,566 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 \$44,665.

The net pension liability was measured as of June 30, 2022, 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, 2021 through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0193% at the end of the measurement period and 0.0192% for the beginning of the period.

District's proportionate share of the net pension liability	\$1,528,566
State of Minnesota's proportionate share of the net pension liability associated with the District	44,665
Total	<u><u>\$1,573,231</u></u>

For the year ended December 31, 2022, the District recognized pension expense of \$274,273 for its proportionate share of the General Employees Plan's pension expense. In addition, the District recognized an additional \$6,674 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, 2022

At December 31, 2022, 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	\$12,768	\$16,332
Changes in actuarial assumptions	345,942	6,234
Difference between projected and actual investment earnings	26,661	-
Changes in proportion	71,575	-
Contributions paid to PERA subsequent to the measurement date	60,288	-
Total	<u>\$517,234</u>	<u>\$22,566</u>

The \$60,288 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, 2023. 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
2023	\$183,125
2024	160,278
2025	(47,259)
2026	138,236
2027	-
Thereafter	-

E. ACTUARIAL ASSUMPTIONS

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	6.50%

The long-term investment rate of return 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 6.50% was deemed to be within that range of reasonableness for financial reporting purposes.

Benefit increases after retirement are assumed to be 1.25% for the GERP.

Salary growth assumptions range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Mortality rates were based on the Pub-2010 General Employee Mortality Table, with slight adjustments to fit PERA's experience.

Actuarial assumptions for GERS are reviewed every four years. The most recent four-year experience study was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

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	100%	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2022 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.

G. 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:

	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
Proportionate share of the GERS net pension liability	\$2,414,451	\$1,528,566	\$802,005

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

H. 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 8 COMPENSATED ABSENCES PAYABLE

Changes in compensated absences payable during 2022 are as follows:

Beginning balance	\$134,343
Net change	<u>(16,667)</u>
Ending balance	<u>\$117,676</u>
Due within one year	<u>\$117,676</u>

Note 9 FUND BALANCE CLASSIFICATIONS

At December 31, 2022, 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	\$ -	\$ -	\$429,614	\$429,614
Assigned for:				
Capital improvements	-	7,099,390	-	7,099,390
Unassigned	<u>4,156,699</u>	<u>-</u>	<u>-</u>	<u>4,156,699</u>
Total	<u>\$4,156,699</u>	<u>\$7,099,390</u>	<u>\$429,614</u>	<u>\$11,685,703</u>

CAPITOL REGION WATERSHED DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2022

Note 10 PRIOR PERIOD ADJUSTMENT

During 2022, the District identified \$679,860 of infrastructure, capitalized in 2021, of which ownership never transferred to the District. Previously, the cost of this asset was reported on the statement of net position as a capital asset, net of accumulated depreciation in the amount of \$22,662. A prior period adjustment in the amount of \$657,198 was recorded to restate beginning net position as of January 1, 2022.

Details of the prior period adjustment are as follows:

	<u>Governmental Activities</u>
Net position - January 1, as previously reported	\$21,077,674
Prior period adjustment - infrastructure	<u>(657,198)</u>
Net position - January 1, as restated	<u><u>\$20,420,476</u></u>

Note 11 RECENTLY ISSUED ACCOUNTING STANDARDS

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

Statement No. 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 reporting periods beginning after June 15, 2022.

Statement No. 99 *Omnibus 2022*. The provisions of this Statement contain multiple effective dates, the first being for reporting periods beginning after June 15, 2022.

Statement No. 100 *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2023.

The effect these standards may have on future financial statements is not determinable at this time.

- This page intentionally left blank -

REQUIRED SUPPLEMENTARY INFORMATION

CAPITOL REGION WATERSHED DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - OPERATIONS FUND
For The Year Ended December 31, 2022

Schedule 1

	Budgeted Amounts		2022 Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
Tax levy	\$5,037,353	\$5,037,353	\$4,979,793	(\$57,560)
Intergovernmental	75,000	75,000	303,941	228,941
Interest income	1,000	1,000	57,207	56,207
Permit fees	24,000	24,000	26,900	2,900
Miscellaneous	434,800	434,800	64,037	(370,763)
Total revenues	<u>5,572,153</u>	<u>5,572,153</u>	<u>5,431,878</u>	<u>(140,275)</u>
Expenditures:				
Administrative	825,550	825,550	1,203,295	(377,745)
Programs	3,678,155	3,678,155	2,590,169	1,087,986
Projects	1,669,882	1,669,882	833,784	836,098
Total expenditures	<u>6,173,587</u>	<u>6,173,587</u>	<u>4,627,248</u>	<u>1,546,339</u>
Revenues over expenditures	<u>(\$601,434)</u>	<u>(\$601,434)</u>	804,630	<u>\$1,406,064</u>
Fund balance - January 1			<u>3,352,069</u>	
Fund balance - December 31			<u>\$4,156,699</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
2022	2022	0.0193%	\$1,528,566	\$44,665	\$1,573,231	\$1,441,974	109.1%	76.7%
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.

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)
2022	\$110,847	\$110,847	-	\$1,477,956	7.5%
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, 2022

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

2022 Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

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, 2022

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
Schedule 4

For The Year Ended December 31, 2022

	Budgeted Amounts		2022 Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
Revenues:				
General property taxes	\$2,680,569	\$2,680,569	\$2,649,939	(\$30,630)
Intergovernmental	5,000	5,000	-	(5,000)
Interest income	15,000	15,000	111,597	96,597
Miscellaneous	102,360	102,360	-	(102,360)
Total revenues	<u>2,802,929</u>	<u>2,802,929</u>	<u>2,761,536</u>	<u>(41,393)</u>
Expenditures:				
Current:				
Conservation of natural resources:				
Como Lake BMP	302,410	302,410	198	302,212
Trout Brook BMP	790,950	790,950	-	790,950
Mississippi River Downtown Subwatershed BMPs	1,932,560	1,992,560	2,749	1,989,811
Special projects and grants	-	-	153	(153)
Total conservation of natural resources	<u>3,025,920</u>	<u>3,085,920</u>	<u>3,100</u>	<u>3,082,820</u>
Capital outlay	<u>1,695,463</u>	<u>2,568,368</u>	<u>2,440,479</u>	<u>127,889</u>
Total expenditures	<u>4,721,383</u>	<u>5,654,288</u>	<u>2,443,579</u>	<u>3,210,709</u>
Revenues over (under) expenditures	<u>(\$1,918,454)</u>	<u>(\$2,851,359)</u>	317,957	<u>\$3,169,316</u>
Fund balance - January 1			<u>6,781,433</u>	
Fund balance - December 31			<u>\$7,099,390</u>	



REPORT ON INTERNAL CONTROL

To the Board of Managers
Capitol Region Watershed District
Saint Paul, Minnesota

In planning and performing our audit of the financial statements of the governmental activities and each major fund of Capitol Region Watershed District as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered Capitol Region Watershed District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capitol Region Watershed District's internal control. Accordingly, we do not express an opinion on the effectiveness of Capitol Region Watershed District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified a deficiency in internal control that we consider to be a material weakness. Other material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2022-1 to be a material weakness.

This communication is intended solely for the information and use of Capitol Region Watershed District's Board of Managers, management, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 13, 2023

2022-1 Prior Period Adjustment

Criteria: The District's internal controls should allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Condition: Seminary Pond Improvements made during 2020 and 2021 were capitalized as an infrastructure asset during 2021. However, during the 2022 audit it was discovered that the District did not own this asset.

Cause: Because the District incurred significant capital related costs for the Seminary Pond project, it was originally believed that these costs were eligible to be capitalized.

Effect: The correction to infrastructure assets resulted in a restatement to the District's net position as of January 1, 2022 in the amount of \$657,198.

Recommendation: We recommend staff review project costs and determine which costs are eligible to be capitalized each year.

Views of Responsible Officials and Corrective Action Plan: Staff have implemented procedures to ensure project costs eligible to be capitalized are appropriately identified.

- This page intentionally left blank -



MINNESOTA LEGAL COMPLIANCE REPORT

To the Board of Managers
Capitol Region Watershed District
Saint Paul, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of Capitol Region Watershed District as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise Capitol Region Watershed District's basic financial statements, and have issued our report thereon dated April 13, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that Capitol Region Watershed District failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, public indebtedness, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minnesota Statute § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding Capitol Region Watershed District's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

This report is intended solely for the information and use of those charged with governance and management of Capitol Region Watershed District and the State Auditor and is not intended to be, and should not be, used by anyone other than these specified parties.

Redpath and Company, Ltd.

REDPATH AND COMPANY, LTD.
St. Paul, Minnesota

April 13, 2023

- This page intentionally left blank -

Appendix C

Stormwater Pollution Prevention Report

CRWD's Stormwater Pollution Prevention Report will be completed by July 31, 2023 and added to this document.