



# 2025 Annual Activities Report



# Capitol Region Watershed District 2025 Annual Activities Report

Saint Paul, Minnesota

Cover image: Como Lake Pavilion, Saint Paul, MN. Photo by Ackerman + Gruber.



## Letter from the Administrator



On behalf of the Board Managers and staff at CRWD, I want to share some highlights of the incredible work over the past year.

2025 saw a meaningful increase in engagement at CRWD's Watershed Learning Center located in the Hamline-Midway neighborhood in Saint Paul. CRWD created a new Art and Water Workshop series to activate our learning center and reach more community members with the help from its new Watershed Artist in Residence, Sarah Peters. The interactive workshops ranged from making seed paper, watching and creating Como Lake shadow puppets, and experiencing bodies of water through light projection mapping. We are thrilled the workshops have encouraged not only visitors to our building but educated and inspired the over 250 people who attended them on our mission and the importance of water.

The District adopted a Climate Resiliency Framework (CRF), with the Planning, Projects and Grant Division leading project efforts. The goal of the CRF is to address resiliency relative to the District's work and focus on strategies and actions that fall within our existing roles. The CRF highlights climate trends and impacts, and how they relate to CRWD's work. The Framework includes 5 Goals and 24 Activities that will help CRWD respond to and adapt its work to a changing climate.

CRWD expanded our work in stormwater facilities management in 2025. We began a Permitted Sites Maintenance Program whose purpose is to ensure functionality of stormwater best management practices constructed to meet CRWD Rules. In addition, we increased the number of rain gardens owned by public partners that we inspect and maintain and began work to assist the City of Saint Paul on dredging a handful of stormwater ponds in 2026. All of these inspection and maintenance efforts ensure that BMPs are performing as designed to reduce stormwater volumes and pollutant loads and protect and improve the water quality of our lakes and the Mississippi River.

CRWD's monitoring and research work continues to inform us and others about typical stormwater pollutants and emerging pollutants of concern including chloride and microplastics. In addition, we continue to survey and control aquatic invasive species in our lakes. In Como Lake, we found giant floater mussels, a common mussel in Minnesota but not previously reported in Como, and we observed a low population of common carp.

This past fall, CRWD was awarded the Water Environment Federation's Project Excellence Award for the Highland Bridge District Green Infrastructure Project. We were honored to win this prestigious national award for our project, competing against highly deserving drinking water, wastewater and stormwater projects from across the country.

In addition to our work in the watershed, CRWD staff got out on the Mississippi River to learn more about its health, history, and current uses and those who stewarded the land before us. In the fall, we paddled the river with rangers from the National Park Service, and we attended Learning from Place: Bdote Tour through the Minnesota Humanities Center. During the tour we visited three locations around our District and learned about their significance to the Dakota people. The tour encouraged reflection and helped to expand our work with diversity, equity, and inclusion. Both experiences were meaningful as we got to connect with the river and the communities we serve.

I am delighted with the work we accomplished together in 2025 and look forward to what 2026 will bring. CRWD will host the State's traveling We Are Water MN exhibit, break ground on the McMurray Stormwater Project, complete the Chloride Pollution Prevention Plan, embark on the update to the Loeb Lake Management Plan, evaluate and update CRWD Rules, expand our involvement in inspecting and maintaining stormwater facilities owned by partners.

I want to express my appreciation to CRWD's Board of Managers, Community Advisory Committee, and staff. I would also like to thank all our partners: the Cities of Saint Paul, Falcon Heights, Maplewood, Roseville, and Lauderdale; Saint Paul's District Planning Councils; Ramsey County, community partners, residents, and others for your continued support in helping protect and improve the health of our lakes, wetlands and the Mississippi River.

Respectfully,

*Anna Eleria*

Anna Eleria, Administrator

# 2025 Annual Activities Report

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# Terms and Acronyms

List of common terms and acronyms used in this report.

- AiR - Artist in Residence
- AIS - Aquatic Invasive Species
- BMPs - Best Maintenance Practices
- CAAPB - Capitol Area Architectural and Planning Board
- CAC - Community Advisory Committee
- CIP - Capitol Improvement Project
- CLMP - Como Lake Management Plan
- CORE - Connecting Opportunities for Research Experiences
- CPPP - Chloride Pollution Prevention Plan
- CRF - Climate Resiliency Framework
- CRWD - Capitol Region Watershed District
- DEI - Diversity, Equity, and Inclusion
- GIS - Geographic Information System
- GRPC - Great River Passage Conservancy
- H/H - Hydrologic and Hydraulic
- IBI - Index of Biological Integrity
- IDDE - Illicit Discharge Detection and Elimination
- ISW - Industrial Stormwater
- MnRAM - Minnesota Routine Assessment Method
- MN DNR - Minnesota Department of Natural Resources
- MS4 - Municipal Separate Storm Sewer System
- NPDES - National Pollutant Discharge Elimination System permit
- O&M - Operations & Maintenance
- Opti RTC - Optimized Real-Time Controls
- PSMP - Permitted Sites Maintenance Program
- QAPP - Quality Assurance Program Plan
- RCPW - Ramsey County Public Works
- RCSWCD - Ramsey Country Soil and Water Conservation District
- RLC - River Learning Center
- ROW - Right of Way
- SPS - Saint Paul Streets
- SW - Stormwater
- SWPPP - 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)
- WEF - Water Environment Federation
- WISKI - Water Information Systems by KISTERS (WISKI), online database
- WMP - Watershed Management Plan
- WQ - Water Quality

# 1 Our Organization

## 1.1 About CRWD

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

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

**Land Acknowledgement:** 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.

**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, is home to 212,000 people, and includes portions of the Cities of Falcon Heights, Lauderdale, Maplewood, Roseville, and Saint Paul, Minnesota. All the water in the District eventually drains to the Mississippi River.

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. In the past two and a half decades, the District has grown from its modest roots to become a national leader in stormwater management.

## 1.2 Watershed Management Plan Update

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, partners, and community members who serve key roles in achieving CRWD goals.

Overall, CRWD is on track and successfully implementing its Watershed Management Plan. Our biennial review in 2023 determined that CRWD achieved 68% of its measurable outputs and has completed or is on track with 78% of our implementation activities. Our Goals are 82% completed or in-progress/on-track. In 2026, CRWD is conducting a mid-plan review to assess its progress towards achievement of the goals and implementation activities and make recommendations on any plan adjustments.

## 1.3 Budget

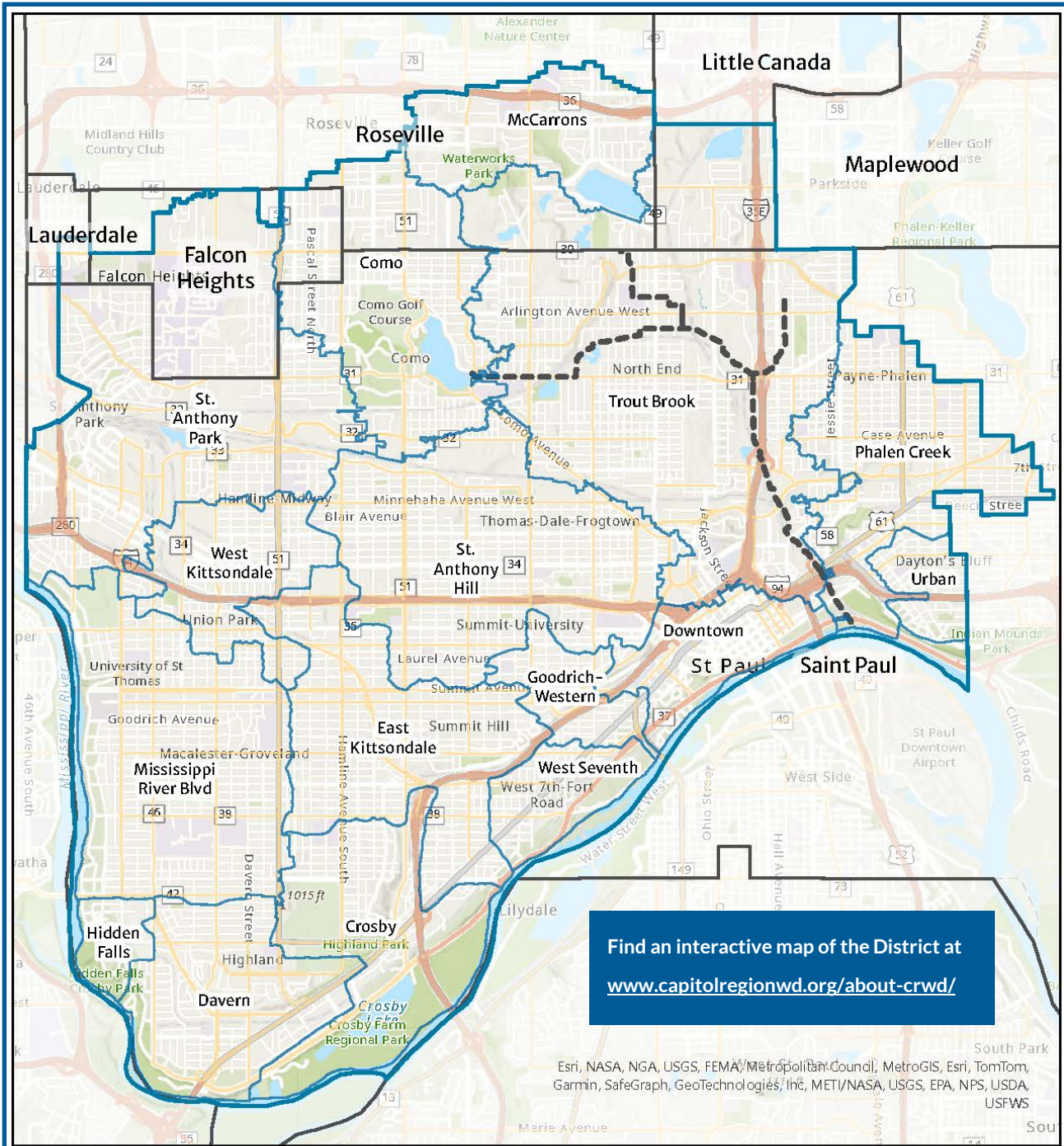
CRWD develops an annual work plan and budget starting in late spring. A public hearing about its preliminary budget for the following year and presents it to the Community Advisory Committee (CAC) every August. The Board approves the preliminary budget in September after receiving comments at the

public hearing and from partners and CAC members. The Board approves the final budget for the following year each December and it is posted on the District's website.

Minnesota State Statutes 103B and 103D provide watershed districts with the authority to levy property taxes, and this amount is included in property tax statements. The funds received through the property tax levy can be used for projects, grants, programs, and administration as recommended in the Watershed Management Plan. CRWD generates additional funding through grants, partner cost-share, permit fees and interest income.

Detailed information on CRWD's finances and a copy of the 2025 Financial Report and Audit can be found in Appendix A of this report.

# 1.4 District Map






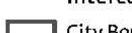
Find an interactive map of the District at [www.capitolregionwd.org/about-crwd/](http://www.capitolregionwd.org/about-crwd/)

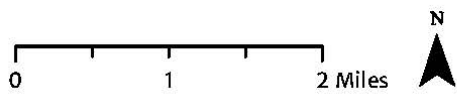
Esri, NASA, NGA, USGS, FEMA, Metropolitan Council, MetroGIS, Esri, TomTom, Garmin, SafeGraph, GeoTechnologies, Inc, METI/NASA, USGS, EPA, NPS, USDA, USFWS



## Capitol Region Watershed District

### Watershed Extent and Subwatersheds

-  CRWD
-  Subwatersheds
-  Trout Brook Interceptor
-  City Boundaries



## 2 Our People

### 2.1 Organizational Chart

The organizational and programmatic structure of CRWD includes the Board of Managers, CAC, and staff.

CRWD Board Managers are appointed by the Ramsey County Commissioners and serve three-year terms. The district administrator is appointed and reviewed by the Board of Managers. The administrator supervises the deputy administrator, the five division managers of the District, and all division staff.

Administration Division programming includes general administration; Board of Managers support; building and office operations; human resources, payroll and benefits; CAC support; the Diversity, Equity and Inclusion Program; budget, finance, accounts payable and receivable, and audit.

Monitoring and Research Division programming includes stormwater monitoring; lake monitoring; Best Management Practices (BMPs) performance monitoring; wetland monitoring; research; lake management of Como, McCarrons, Loeb, Crosby and Little Crosby; Capital Improvement Projects; and Safety Program.

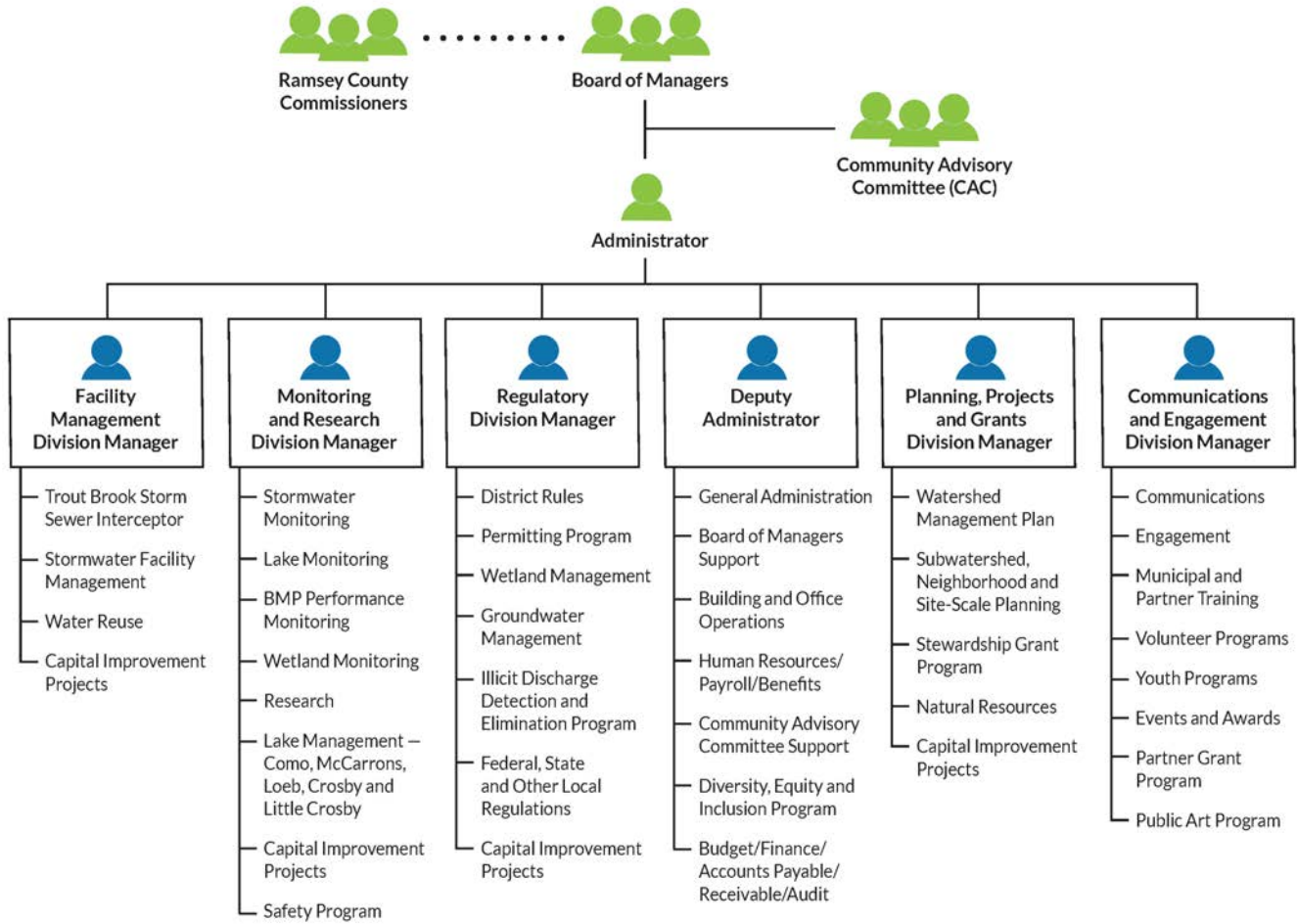
Regulatory Division programming includes the District Rules; the Permitting Program; wetland management; water reuse; groundwater management; Illicit Discharge Detection and Elimination Program; federal, state and other local regulations; and Capital Improvement Projects.

Planning, Projects and Grants Division programming includes the Watershed Management Plan; subwatershed, neighborhood and site-scale planning; the Stewardship Grant Program; facility management; natural resources; and Capital Improvement Projects.

Communications and Engagement Division programming includes communications; engagement; municipal and partner training; volunteer programs; youth programs; events and awards; the Partner Grant Program; and the Public Art Program.

Facility Management Division programming includes Trout Brook Storm Sewer Interceptor; stormwater facility management; water reuse; and Capital Improvement Projects.

# CRWD Organizational Chart



## 2.2 Board

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 three-year terms.

CRWD's 2025 Board Managers are Joe Collins, President; Mary Texer, Vice President; Hawona Sullivan Janzen, Secretary; Rick Sanders, Treasurer; and Shawn Mazanec, Communications & Engagement.



CRWD Board of Managers. Left to right; Joe Collins, Mary Texer, Hawona Sullivan Janzen, Shawn Mazanec, and Rick Sanders. Photo by Ackerman + Gruber.

## 2.3 Community Advisory Committee

The Community Advisory Committee assists the Board of Managers with organizational development and strengthens the connections between CRWD and its residents. Visit CRWD's website for meeting dates and information on how to join.

The 2025 CAC members are Richard Weil, Michelle Ulrich, Mike McDonald, Tori Philippi, Gwen Williams, Lauren Wheeler, Barbara Hall, Mary Lilly, Andrew Montain, Mike Trojan, and Nick Carmichael.



CAC members. Photo by Ackerman + Gruber.

## 2.4 Staff

CRWD has a permanent staff of 25, along with seasonal staff and high school interns. A complete staff directory with contact information is available on the District's website: [capitolregionwd.org/people/](https://capitolregionwd.org/people/)

For any questions about CRWD, please contact Anna Eleria, Administrator:  
aeleria@capitolregionwd.org | 651-644-8888 | 595 Aldine Street, Saint Paul, MN 55104



CRWD Staff. Photo by Ackerman + Gruber.

## 2.5 Consultants

In 2025, CRWD established a pool of qualified professional and technical services providers, a required biennial solicitation. CRWD prepared a Request for Qualifications that was posted on CRWD's website and sent to firms via email. The list of invitees was drawn from federal, state and local databases and vendor lists including the Disadvantaged Business Enterprise (DBEs) and Women's Business Enterprise (WBEs) Programs.

## 3 Awards and Recognition

### 3.1 Annual Watershed Steward Awards

CRWD hosted a celebration to honor the contributions of residents, community organizations, and businesses as well as Board Managers, CAC members and staff at its 2025 Recognition and Awards Ceremony.

The 2025 awards and winners were the following:

1. **Watershed Community Member Award:** Steve Mitrione, Hamline-Midway Resident
2. **Watershed Outreach Program Award:** In Progress Digital Storytelling
3. **Young Watershed Steward Award:** Randolph Heights Robotics Club
4. **Watershed Partner Award:** Russ Stark, former City of Saint Paul Chief Resiliency Officer
5. **Watershed Project Award:** Model Cities Clean Water Projects
6. **Watershed Construction Leadership Award:** Stephan & Sebastian McLafferty, Shoreline Landscaping
7. **Lifetime Stewardship Award:** Ann WhiteEagle, Ramsey County Soil and Water Conservation Division Director

For more details about the awards and this year's winners please visit [capitolregionwd.org/annual-watershed-steward-awards/](https://capitolregionwd.org/annual-watershed-steward-awards/)

### 3.2 Regional and National Recognition

The Water Environment Federation (WEF) awarded CRWD and its partners one of its three 2025 Project Excellence Awards to the green stormwater infrastructure system at Highland Bridge, recognizing it as a national model for sustainable urban redevelopment. The award celebrates forward-thinking infrastructure that addresses climate change, improves water quality, and supports redevelopment in growing urban areas. This is the first time a project in Minnesota has received this prestigious honor.

## Awards and Recognition



2025 Watershed Construction Leadership: Sebastian McLafferty (left) and Stephan McLafferty (right).



2025 Watershed Project: Model Cities Clean Water Projects. Dennis Sweeney (left) and Kris Hagan (right).



2025 Watershed Partner: Russ Stark.



2025 Young Watershed Stewards: Randolph Heights Robotics Club. Left to right: Michael McManus, Henry Bengfort, Ann Pelltier (Randolph Heights teacher), Maricella Xiong (CRWD Community Engagement Coordinator), and Savannah and Shandon Halland.



2025 Watershed Community Member: Steve Mitrione. Photo credit Liz Mak, Mumble Media

All photos in this section by Jenn Ackerman, except the photos of Steve Mitrione, Ann White Eagle and the WEF Award.



2025 Watershed Outreach Program: In Progress Digital Storytelling. Left to right: Kristine Sorensen, Jayla Jones, Malea Whipple, Jaclynn Jones, Layla Whipple.



Lifetime Stewardship Award: Ann White Eagle.



Lifetime Stewardship Award: Ann White Eagle. Left to right: Joseph Lochner (Ramsey County Soil and Water Conservation Division), Maurice White Eagle (Ann's husband), and Mike Goodnature and Justin Townsend (Ramsey County Soil and Water Conservation Division).



WEF 2025 Project Excellence Award. Left to right: Matt Metzger (Barr Engineering, Senior Civil Engineer), Nathan Campeau (Barr Engineering, VP Senior Water Resources Engineer), Anna Eleria (CRWD Administrator), Aaron Hass (City of Saint Paul, Civil Engineer), Howard Carter (WEF President), Bob Fossum (CRWD Deputy Administrator), and Mark Doneux (former CRWD Administrator).

## 4 Our Work – Programs

### 4.1 Diversity, Equity and Inclusion

CRWD has made diversity and inclusion a priority. The District is committed to the following goals through our Diversity, Equity and Inclusion (DEI) Strategic Plan and 2021-2030 Watershed Management Plan (WMP).

- CRWD and its service providers should reflect the racial, gender and cultural demographics of the watershed and the City of Saint Paul.
- Understand and incorporate cultural perspectives on water and government.
- Create opportunities for people of color in the environmental/water resources profession through training and recruitment.
- Consider equity and equality as a means to achieve diversity.
- Use water management as a tool to help address local and community concerns.

In 2025, the Diversity and Inclusion Program had a budget of \$22,000 to provide for District diversity and inclusion efforts like the following.

- Leading monthly discussions for a group of volunteer staff members to discuss topics relating to unconscious bias, racism, microaggressions, and other cultural competency topics.
- CRWD co-chaired the Watershed Equity Alliance (WEA), a leadership forum and DEI workgroup for the watershed community established in 2021.
- Adopt a Drain program staff served 32 schools in CRWD’s Focus Area.
- All staff participated in the Minnesota Humanities Center’s Learning from Place: Bdote Training, where participants learn about stories from the Dakota people that have been historically left out of state history narratives.
- Staff incorporated career development discussions into youth engagement programs.
- Staff supported 19 native landscaping projects and 2 clean water projects in focus areas that overlap with historically underrepresented groups.
- Flood mitigation feasibility studies were completed in CRWD’s Trout Brook Subwatershed, a focus subwatershed.
- CRWD hosted two interns through the Right Track program that provides paid summer internships for Saint Paul youth who come from cost burdened households or have a barrier to employment.
- Add bullets for translation of our communications and engagement materials.

#### 4.1.1 Diversity, Equity and Inclusion 2026 Work Plan

In 2026, the Diversity and Inclusion Program has a budget of \$23,800. CRWD will continue the DEI efforts described above as well as provide DEI training for staff.

Administration 2025 Work Plan		
Project Name	Priority	Description
Diversity, Equity and Inclusion Program	Critical	Coordinate the implementation of the District’s DEI Plan

## 4.2 Communications and Engagement

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.

In 2025, Communications and Engagement had a budget of \$864,710 across all work.

### 4.2.1 Clean Streets: Adopt-a-Drain

CRWD's partnership with Hamline University's Center for Global Environmental Education successfully engaged residents to adopt over 300 storm drains and keep them free and clear of debris. In 2025, volunteers in CRWD removed over 18,000 pounds of debris from CRWD drains. The Adopt-a-Drain program also reached 30 schools and more than 900 students throughout the District.

### 4.2.2 Maintenance Workshops for Clean Water

CRWD sponsored one Minnesota Pollution Control Agency (MPCA) Smart Salting for Roads training to certify 26 Saint Paul Public Works snowplow operators in 2025. Additionally, CRWD sponsored a Bolton & Menk refresher training for 59 previously certified Smart Salting for Roads Saint Paul Public Works staff. CRWD sponsored three custom Parking Lots and Sidewalks winter maintenance training classes for 24 Saint Paul Parks and Recreation staff and 60 Saint Paul Public Schools Head Engineers.

### 4.2.3 Digital Communications

CRWD sends a monthly newsletter with news, events and relevant watershed topics to its main subscriber list, and 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 problem weeds.

The District regularly maintains our website, [capitolregionwd.org](http://capitolregionwd.org), with up-to-date information such as meetings, events, projects, blog posts and legal notices. CRWD shares posts and engages with residents and partners on social media sites like Facebook, Instagram, and LinkedIn.

### 4.2.4 Volunteer Programs: Minnesota Water Stewards

CRWD supported the Minnesota Water Stewards program in partnership with Freshwater for a tenth year. 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.

CRWD's active roster of thirty stewards continues to assist with inspecting more than 300 boulevard rain gardens each spring and supporting our event engagements. In 2025, Freshwater did not accept new applicants to the program and paused to make curriculum and program updates. CRWD did not have any new Water Stewards trained in 2025 but did support three continuing education experiences for certified stewards. The events were a workshop on the Life and Death of the Mississippi River by Metropolitan Council on Living Land and Water's floating classroom, and the annual gathering of stewards called the Confluence with a guest presentation from local artist and environmental justice advocate, Ricardo Levins Morales.

### 4.2.5 Events

CRWD staff and volunteers attend community events to promote the work of the District and share resources with the public. In 2025, CRWD participated in more than 50 events, engaging over 1,500

people in learning about our work. The District deepened engagement by hosting 9 groups at the District's Watershed Learning Center to provide presentations and tours. Additionally, CRWD sponsored 7 community events in the watershed, reaching more than 350 people.

#### **4.2.6 Youth Outreach**

In 2025, CRWD worked with more than 1,200 youth and young adults in kindergarten through college. Additionally, CRWD staff led 5 presentations and events for youth and young professionals that expressed interest in water quality careers. The District's youth outreach was made stronger through partnerships with the Science Museum of Minnesota's GEOPaths CORE program, and the Minnesota Children's Museum.

#### **4.2.7 Public Art**

In 2025, CRWD hired Sarah Peters as our Artist-in-Residence. The AiR helps shape our projects and programs by providing artistic direction as part of an interdisciplinary team and facilitates Art + Water Workshops at CRWD's Watershed Learning Center in collaboration with other local artists and our Early Career Artist and CRWD's Community Engagement Coordinator, Maricella Xiong.

CRWD facilitated three Art + Water Workshops in 2025. The first workshop was a papermaking party using native plant seeds. The second workshop featured puppet artist Oanh Vu. The workshop included both puppet making and a performance led by Oanh called *Como Lake Creatures*. The third workshop featured projection artist and creative technologist Boo McCaleb with a multifaceted installation called *Bodies of Water and Light*. Boo's installations centered local climate impacts and resilience by projecting imagery and sounds and creating spaces for rest, play, connection and reflection.

#### **4.2.8 Right Track WaterCorps Internship**

In 2023, CRWD launched its inaugural WaterCorps Internship. The goal of the program is to provide practical experience for young people interested in water resources careers. The District used the City of Saint Paul's Right Track program to hire for the internship. Hiring through the Right Track program aligns with CRWD's Diversity, Equity, and Inclusion (DEI) Implementation Plan goal of working with people of color, youth and underserved communities to encourage them to enter the environmental field. The Right Track framework assists with recruitment, screening and placement of youth ages 16-21 as well as work-readiness training before and during each internship. Applicants must live in Saint Paul, have previous work, or volunteer experience, meet income criteria, or have a barrier to employment. CRWD worked with Right Track to promote this opportunity throughout the City of Saint Paul and hosted a second round of interviews in CRWD's office to learn more about the skills and interests of each candidate.

CRWD hosted two high school interns in 2025. They worked together to create short videos of their experiences over the summer that can be viewed on our [YouTube Channel](#).

#### **4.2.9 Partner Grants**

CRWD Partner Grants fund programs and projects led by public, private, and non-profit organizations that increase clean water knowledge and actions. In 2025, CRWD revised the Partner Grant program to strengthen connections to the Watershed Management Plan, reduce barriers to participation for grantees, and create efficiencies for staff and partners. This review led us to change our grant award range to \$10,000 – \$40,000 and to offer support for projects lasting up to two years.

CRWD awarded Partner Grant funding for nine projects in 2025 totaling \$178,492. Eight of the nine projects will extend into 2026 and are listed below.

2025 Partner Grants		
Organization	Project	Approved Funding
Blue Hummingbird Woman	Honoring our Waters community workshops and plant walks.	\$31,850
Parkview Center School	Parkview Water Project – water education experiences for grades K-5 at Parkview Center School and Harambee Elementary	\$26,800
Wakan Tipi Awanyankapi	Urban restoration and stewardship events at Wakan Tipi	\$20,000
Saint Paul Parks and Recreation	Park Ambassadors – outdoor recreation experiences to foster connections to watershed and water quality knowledge	\$14,000
West 7 <sup>th</sup> Fort Road Federation	West 7 <sup>th</sup> Clean and Green community cleanup initiatives and salt reduction campaign	\$11,342
Union Park District Planning Council	Neighbors of the River community cleanups, curb cleanups and salt reduction campaign	\$11,500
Hamline Midway Coalition	Clean Streets, Clean Water – neighborhood trash cleanup events, leaf litter curb cleanups and salt reduction campaign	\$11,500
District 10 Como Community Council	Como Cleanup – lake cleanup events, curb cleanup and salt reduction campaign	\$11,500

#### 4.2.10 Communications and Engagement 2026 Work Plan

In 2026, Communications and Engagement have a budget of \$970,907 across all work. Planned projects and work include the following.

##### Digital Communications

In 2026, CRWD plans to implement a digital asset management system to streamline photography searches and incorporate alternative text, a digital accessibility best practice, into all District image assets. CRWD is planning to redesign its website to make improvements, including incorporating more digital accessibility best practices. Staff plan to create videos of recent keystone projects.

##### Volunteer Programs

Freshwater updated the Minnesota Water Stewards program and no longer relies on host organizations like CRWD. Staff continue to support our existing Stewards as well as serving as a resource for Stewards in training in our watershed, based on staff availability and requests.

##### Partnerships

CRWD staff have assisted with the development of [Sacred Waters, Shared Future](#), a year-long campaign to celebrate 100 years of collective action to protect and restore the Mississippi River. The campaign invites organizations to host river-centered events, share river stories, and encourage others to get involved.

##### Partners Grants

Eight of the nine awarded Partner Grant projects in 2025 will carry over to 2026. We will not request new proposals in 2026. In response to the number of two-year proposals submitted, the program will open for funding every other year moving forward. We will solicit new proposals in fall 2026 for 2027 projects.

## Public Art Program

The Artist in Residence, Sarah Peters, will work with Christina Yang to design a water-inspired artistic wrap for CRWD's cistern that sits in the lobby of the building.

## 595 Aldine Communications and Engagement

In 2026, CRWD is focusing on engagement work at our Watershed Learning Center. We will be hosting the We Are Water MN traveling exhibit for eight weeks including a reception and four community events.

Communications and Engagement 2026 Workplan		
Project Name	Priority	Description
General Communications and Engagement	Critical	Provide general District communications & engagement
Clean Streets	Important	Implement Adopt a Drain & 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 MN Water Stewards and other volunteer programs
Partnerships	Critical	Foster relationships with existing and new partners
Events	Important	Support Community and CRWD-sponsored events and activities
Awards Program	Beneficial	Support CRWD Recognition Program
Youth and Young Adult Outreach Programs	Important	Develop and Implement Outreach Programming to District Youth and Young Adults
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
K-12 Watershed Curriculum	Important	Program development
Right Track Program	Important	Provide practical Watershed Management experience to high school students

## Communications & Engagement



CRWD's Minnesota Water Stewards at the Life and Death of the Mississippi River by Metropolitan Council on Living Land and Water's floating classroom.



Students during a Parkview Water Project lesson. 2025 Partner Grant.



Volunteers for Hamline Midway Coalition clean ups collected trash in their neighborhood.



Mississippi River watershed projection art at Art + Water Workshop: Bodies of Water and Light with Boo McCaleb. Photo by Purpose Madison.



Art + Water Workshop: Como Lake Shadow Puppets with Oanh Vu.



Art + Water Workshop: Bodies of Water and Light with Boo McCaleb. Photo by Purpose Madison.

## 4.3 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 program, we hope to encourage a strong ethic of water resource stewardship among residents.

The grant program's goals are to:

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

CRWD grants are available to residents of 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, and Planning grants. In 2025, the Grants Program had a budget of \$625,480 across all grant types.

### 4.3.1 Clean Water Project Grants

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

In 2025, the Clean Water Project Grant Program awarded 11 new grants totaling \$176,191. Twenty BMPs, including rain gardens, permeable pavement, boulevard curb-cut rain gardens, and shoreline stabilizations were completed resulting in the removal of 2.81 pounds of total phosphorous, 669 pounds of sediment, and treatment of over 864,354 gallons of runoff each year.

#### Boulevard Rain Gardens

Boulevard rain gardens collect stormwater runoff from streets through a curb-cut, and from adjacent surfaces such as driveways, sidewalks or planted areas. CRWD coordinates group installations of five or more curb-cut rain gardens for efficiency with costs, design, review, and installation.

In 2025, CRWD hired a contractor to construct four boulevard rain gardens in Saint Paul and one in Falcon Heights. The boulevard rain gardens capture polluted water from city streets and remove an estimated 1 pound of total phosphorous, 290 pounds of sediment, and treat over 110,345 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.

#### Saint Paul Streets Partnership

When conditions are suitable, CRWD partners with City of Saint Paul Public Works Department during their annual street reconstruction known as Saint Paul Streets (SPS). Because the boulevard area – the space between the sidewalk and curb on most residential streets – is often left unplanted with anything except turfgrass, it provides a great opportunity to put in clean water landscaping that helps prevent polluted runoff from flowing to the Mississippi River. Street reconstruction is an especially good time to install rain gardens since the boulevard is already being rebuilt. CRWD works with homeowners and the City of Saint Paul to identify, construct, and plant the garden. Homeowners agree to maintain the gardens for 10 years.

In 2025, there were 11 boulevard raingarden recipients in the Wheelock Grotto Phase 1 Street Reconstruction project. Phase 2 of the project is scheduled to begin in 2026. District wide, there are currently 254 constructed SPS gardens.

### **4.3.2 Native Landscape Grants**

CRWD is emphasizing Stewardship Grant Program expansion in the Focus Area subwatersheds of Saint Anthony Hill, Trout Brook, Urban and Phalen Creek as defined in CRWD's Watershed Management Plan. They have fewer grant projects than other areas of the District and overlap with communities of historically underrepresented groups. The Native Landscape Grant Program is offered in CRWD's Focus Areas to provide funding to build native plant and pollinator friendly landscaping projects. In 2025, the Native Landscape Grant Program awarded \$17,000 in grants to 17 projects.

### **4.3.3 Maintenance Grants**

Maintenance is a crucial part of any successful clean water project. CRWD's Maintenance Grant program provides financial assistance to help offset the cost of maintenance of previously funded clean water projects. Eligible projects receive 50% reimbursement up to \$2,000 a year to purchase supplies or hire a contractor to complete maintenance work. Grantees in CRWD's Focus Area receive 75% reimbursement. Projects are eligible for the entire length of their effective life, typically 10 years. In 2025, CRWD issued reimbursement for 21 projects, totaling \$25,766.

### **4.3.4 Planning Grants**

Planning Grants provide financial assistance for feasibility and design of cost-effective and/or innovative clean water projects that protect and improve the water quality of waterbodies within CRWD. Typical projects funded through this program include feasibility studies and engineering services to identify, prioritize, and design capital improvement projects that include benefits to natural resources. Planning Grants typically provide much of the information needed to apply for construction funds through CRWD's Clean Water Project Grant. CRWD awarded two planning grants in 2025 to install native landscaping along Arcade Street with Payne-Phalen Community Council and at Expo Elementary to repair a previously installed infiltration basin. The grant awards totaled \$60,415.

### **4.3.5 Grant Inspection and Maintenance**

Hundreds of BMPs have been installed throughout CRWD with support from the Clean Water Project Grant and Native Landscape Grant programs. CRWD conducts annual inspections of a select set of past projects to ensure maintenance agreements are upheld and to provide feedback and technical assistance to grant recipients.

In 2025, CRWD staff and volunteers inspected 442 BMPs. Over 95% of the projects inspected were well maintained and performed as designed. The most common maintenance needs were weed removal and sediment/debris removal of inlets.

### **4.3.6 Targeted Site Investigations**

CRWD is working to increase grant project implementation and equitable water quality protection throughout the District, with an emphasis on increasing projects in the Focus Area. In 2024, CRWD launched a Targeted Site Investigation Study to identify sites within the Focus Area that have high potential for water quality improvement and visibility to broad and diverse audiences. The study also identified areas suitable for curb cut boulevard rain gardens. The goal of the study was to help inform grant program outreach efforts and identify sites that CRWD can actively pursue through promotion of

its grant programs. In 2026, CRWD will conduct outreach to property owners of identified sites and pursue grant opportunities.

**4.3.7 Grants 2026 Work Plan**

In 2026, Grants has a budget of \$712,720 across all work. Planned projects and work include:

- Proactive outreach to sites identified in Targeted Site Investigation.
- Complete construction of 11 rain gardens within the Wheelock-Grotto Phase 1 street reconstruction project.
- Continue community outreach and engagement for Wheelock-Grotto Phase 2, supporting design, coordination, and preparing for the start of construction of selected raingardens.
- Maintain outreach for the boulevard curb-cut raingarden program with a focus on growing the participant list for a 2027 construction phase.

Grants 2026 Workplan		
Project Name	Priority	Description
Stewardship Grants	Critical	Stewardship Grant awards and program administration
Grant Inspection and Maintenance Assistance	Important	Grant project inspections, maintenance grant awards and program administration
ROW Projects-Boulevard Rain Gardens	Important	Coordination and Grants for boulevard rain gardens
Targeted Site Investigations	Critical	Design assistance and construction grants for prioritized properties
Large Scale Site Planning Grants	Important	Planning grant program administration and grant awards

## Grants



Boulevard rain garden during construction.



Driveway before construction of permeable pavers (left) and after (right).



Boulevard rain garden collecting stormwater runoff as designed.



Shoreline restoration at Lake McCarrons.



Residential rain garden. Photo by Ackerman + Gruber.

## 4.4 Monitoring, Assessment, and Research

CRWD values data-driven decision-making, which allows both CRWD staff and partner organizations to base decisions for managing projects and planning efforts for District water resources. CRWD uses data not only from computer modeling, but also from the District's comprehensive water quality and quantity monitoring program. In 2004, CRWD established a monitoring program to achieve the following goals:

- Identify problem areas in the District
- Quantify District subwatershed runoff pollutant loadings
- Evaluate effectiveness of BMPs
- Promote understanding of District water resources and water quality

In 2025, the Monitoring, Assessment, and Research Program had a budget of \$868,500 across all work areas.

### 4.4.1 Stormwater Monitoring

CRWD collects a variety of water quality and quantity data within storm sewer pipes and outfalls, stormwater ponds, precipitation stations, and BMP projects as part of a robust monitoring program to understand pollutant discharges and the impacts of stormwater on District water resources and ultimately the Mississippi River. The program collects samples throughout the year from different types of flow (stormwater, snowmelt, and baseflow). Water quality samples are analyzed for a suite of pollutants including nutrients, solids, heavy metals, and bacteria. In 2025, CRWD monitored 77 stations and submitted 459 water quality samples for analysis.

The CRWD monitoring program collects and analyzes all stormwater data following guidance from the District's Quality Assurance Program Plan (QAPP) which was developed in 2016 and is updated annually. The QAPP guides the work of the monitoring program by defining data quality assurance goals and procedures, and summarizing the program design, sampling methods, analytical procedures, and data review protocols. Monitoring staff managed, tested, maintained, and installed an extensive inventory of monitoring equipment to allow for high quality data collection.

To communicate results of stormwater monitoring, CRWD utilizes its Water Data Reporting Tool and a Climatological Summary and Stormwater Summary Reports in 2025. Both summaries are on the District's website. CRWD shares major storm sewer outfall data with the City of Saint Paul that is utilized in their annual MS4 reporting. Finally, select 2025 CRWD stormwater data was also shared with the Minnesota Pollution Control Agency for use by partners in larger metro wide analysis and planning.

#### 2025 Climatological Summary

CRWD analyzes and summarizes temperature, growing season precipitation, anomalous weather events, drought, and other relevant climatological data in an annual Climatological Summary to broaden our understanding of climate and the impacts of climate change on District water resources, projects, and programs. The total amount of precipitation recorded in CRWD in 2025 was 30.30 inches, which is 1.32 inches less than the 30-year normal, making 2025 the third year in a row with a near-normal annual precipitation total. The 2025 growing season (May-September) had a total of 21.91 inches of precipitation, just about three quarters of an inch less than the 2024 growing season. Overall, compared to 2024, the 2025 growing season saw fewer daily precipitation events and more dry days between events, with occasional high-intensity events impacting the growing season precipitation total the most. The most intense rainfall was on July 27, with 0.90 inches of rain falling in fifteen minutes, which is a 5-

year storm event. The last time CRWD saw a 5-year event was in 2018. The highest daily precipitation total was on June 25 with 2.54 inches of precipitation, which was the first time the District experienced a daily total of over two and a half inches since 2019. The District was free of drought for much of the year, with only mild drought conditions—categorized as “abnormally dry”—presenting in late February through March, briefly in mid-May, and mid-November through December. Minnesota was nearly completely drought-free at the beginning of August thanks to above-normal monthly precipitation in June and July, but early fall warmth and dry conditions kept the state from fully eliminating drought for a second year in a row.

### 2025 Stormwater Report Summary

Overall, elevated stormwater discharges were observed at all monitoring stations in 2025 due to above average precipitation in June and July, resulting in increased pollutant transport. Trout Brook West Branch had the highest TP and TSS yields, indicating significant sediment and nutrient transport compared to other CRWD stations. Snowmelt periods exhibited the highest chloride concentrations, emphasizing the seasonal impact of road salt use. *E. coli* bacteria levels were significantly higher in stormflow than baseflow, with most stormflow samples exceeding MPCA standards. Metals toxicity was more prevalent in stormflow and snowmelt due to lower hardness levels.

### 4.4.2 Lake Monitoring

CRWD monitored all five District lakes: Como Lake, Crosby Lake, Little Crosby Lake, Loeb Lake, and Lake McCarrons, in partnership with Ramsey County Public Works Department (RCPW), Ramsey County Soil and Water Conservation Division of the Parks and Recreation Department (RCSWCD), and the Minnesota Department of Natural Resources (DNR). CRWD collected continuous level data on Como Lake, Crosby Lake, Loeb Lake, and Lake McCarrons from roughly April through November. Lakes were sampled by RCPW bi-monthly from April through October for nutrients, water clarity, chlorophyll-a, phytoplankton, and zooplankton. RCSWCD worked with CRWD to collect macrophyte and biovolume surveys of aquatic plants on all five lakes, which included plant species identification and estimations of relative plant abundance.

Como Lake was also monitored for additional parameters that aid in the evaluation of in-lake management actions that have been implemented from the 2019 Como Lake Management Plan. Additional monitoring on Como Lake in 2025 included: three in-lake monitoring stations that measured dissolved oxygen, pH, temperature, and conductivity near the lake bottom, weekly profile monitoring at all three stations, and monitoring aquatic plants as part of the 2021 – 2025 transplanting project.

To communicate the results of lake monitoring, CRWD utilized the online Water Data Reporting Tool and produced a summary of collected data. The 2025 Lakes Data Summary is on the District’s website. The 2025 lake data was also submitted to the Minnesota Pollution Control Agency through the District’s partnership with Ramsey County Public Works staff.

### 2025 Lakes Summary Report

District lakes showed mixed results in water quality compared to 2024. While 2025 had less precipitation overall compared to 2024, it experienced significantly heavier rain in the peak summer months of June and July. Lake McCarrons, Loeb Lake, and Crosby Lake improved in water quality and were not heavily affected by those intense summer rains. Como Lake was more heavily impacted and declined in water quality in 2025 due to the corresponding high phosphorus inputs from the numerous stormwater inputs to the lake. However, looking at long-term trends, Como Lake still maintained lower total phosphorus

than the historical average. This variation across the lakes is indicative of the complexity of lake health, which not only includes water quality, but also its impacts on and interactions with the aquatic plants and animals in its ecosystem.

#### **4.4.3 BMP Performance Monitoring**

CRWD monitors BMP performance at both small scale (e.g. parking lot filtration basins) and large scale (underground infiltration chambers) projects. This performance includes both effectiveness of pollutant removal and volume reduction, as well as maintenance needs associated with these often-complex projects. In 2025, the CRWD monitoring team collected data at 13 high priority BMP projects. In 2025, the eight underground infiltration trenches installed in 2010 below two residential streets in Saint Paul as part of the Arlington-Pascal Stormwater Improvement Project were cleaned out. This maintenance was informed by an analysis of monitoring data collected in 2011 – 2013 and 2023 – 2024 that examined changes in performance of the trenches over time.

#### **4.4.4 Monitoring Database and Reporting Tool**

Beginning in 2014, CRWD began utilizing a comprehensive database (Kisters WISKI) to effectively store and perform priority analysis of all monitoring data. The database significantly reduces the time needed for data compilation, standardizes review processes, and automates priority calculations and analysis. In 2025, District monitoring staff used this software for the majority of data reviews.

Beginning in 2017, CRWD began publicly reporting data via the Water Data Reporting Tool (Tool) that can be accessed from the District website. The Tool is directly connected to the database, allowing for efficient and up-to-date transfer of information. In 2025, CRWD continued to evaluate updates to the Tool to enhance data accessibility, functionality, and performance while creating a more user-friendly interface for both the public and District partners. An update to the Tool is expected in 2026.

#### **4.4.5 Trend Analysis and Reporting**

Staff continued to develop the Data Analysis and Reporting Program in 2025, to make the collection, management, analysis, and communication of monitoring data more systematic and comprehensive. This program aims to ensure consistency, accuracy, and accessibility of all monitoring data collected by the District.

#### **4.4.6 Wetland Monitoring**

CRWD monitored three District wetlands (Swede Hollow, Willow Reserve, and Seminary Pond) for aquatic macroinvertebrates to help understand how improvements to these specific project areas help improve aquatic habitat.

#### **4.4.7 Research Program**

CRWD is a financial sponsor of the Minnesota Stormwater Research Council, a program administered by the University of Minnesota Water Resources Center. The Council helps fund research projects on urban stormwater management and works to disseminate the results of the research to professionals to make better management decisions.

#### **4.4.8 Emerging Contaminants and Water Quality Issues**

The District periodically reviews available data and research on emerging contaminants to determine whether monitoring is needed to better understand how these contaminants may be impacting District water resources, and how to address them in project planning and communications. From 2023 - 2025, CRWD collected bacteria source-tracking data at four stormwater monitoring stations to better

understand the sources of fecal contamination in baseflow, stormwater, and snowmelt, and if there are differences in levels and sources of fecal contamination between the monitored subwatersheds. Monitoring staff are reviewing the data and determining next steps.

Monitoring staff also finalized a report on microplastics monitoring data that was collected from 2020 – 2023. This study assessed the prevalence of microplastics at representative CRWD stormwater, BMP, lake, and precipitation monitoring stations to explore the potential implications of this pollutant for CRWD’s work. The results showed that microplastics were present at all monitoring locations, with atmospheric deposition having the highest concentration across all sampled sites. This suggests that microplastics are a prevalent pollutant in CRWD’s urban watershed. This work on microplastics was presented at the National Water Quality Monitoring Conference (March 2025) and at the Minnesota Water Resources Conference (October 2025).

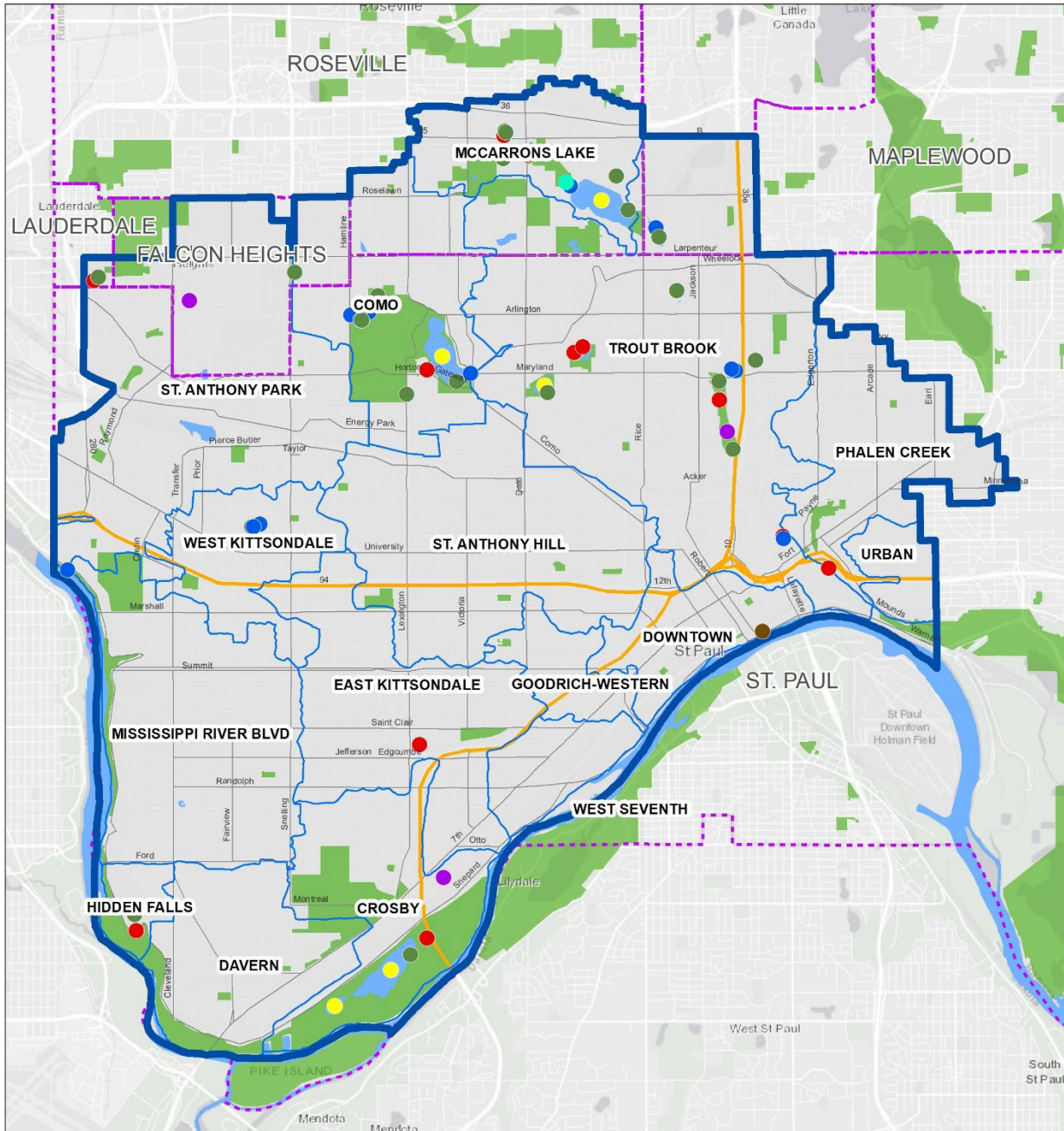
#### 4.4.9 Monitoring, Assessment, and Research 2026 Work Plan

In 2026, Monitoring, Assessment and Research has a budget of \$898,720 across all work. Planned projects and work outside of routine work include:

- Improving and updating the Water Data Reporting Tool
- Establishing monitoring stations at new locations, including Highland Bridge
- Expanding winter chloride monitoring of all District Lakes
- Finalizing a wetland monitoring report that summarizes data collected to-date

Monitoring, Assessment and Research 2026 Work Plan		
Project Name	Priority	Description
Stormwater Monitoring & Data Collection	Critical	Monitoring of 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
Trend Analysis and Reporting	Important	Conduct trend analysis with reporting for the general public
Research Program	Important	Develop and implement or support comprehensive stormwater research
Emerging Contaminants and Water Quality Issue	Important	Review and assess emerging contaminants

### 4.4.10 Monitoring Stations Map



#### Capitol Region Watershed District

2025 Monitoring Stations



- Flow Logger
- Special Research
- Full Water Quality Station
- Lake
- Water Level
- Rain Gauge
- Reference Site
- CRWD
- Subwatersheds
- Major Highways
- Cities
- Major Waterbodies
- Parks

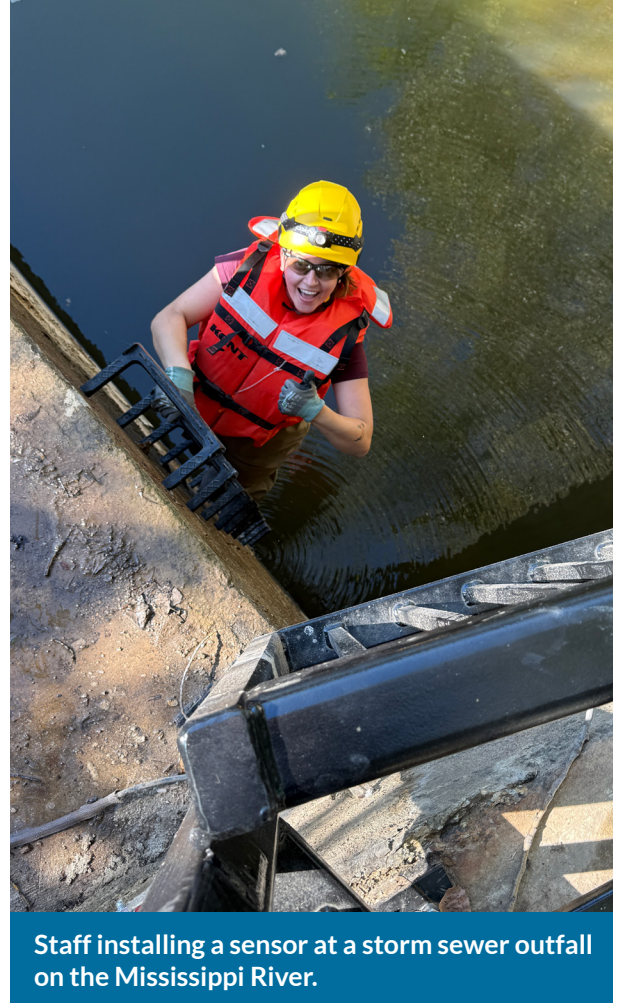
## Monitoring, Assessment & Research



CRWD 2025 Right Track WaterCorps Interns assist with macroinvertebrate monitoring.



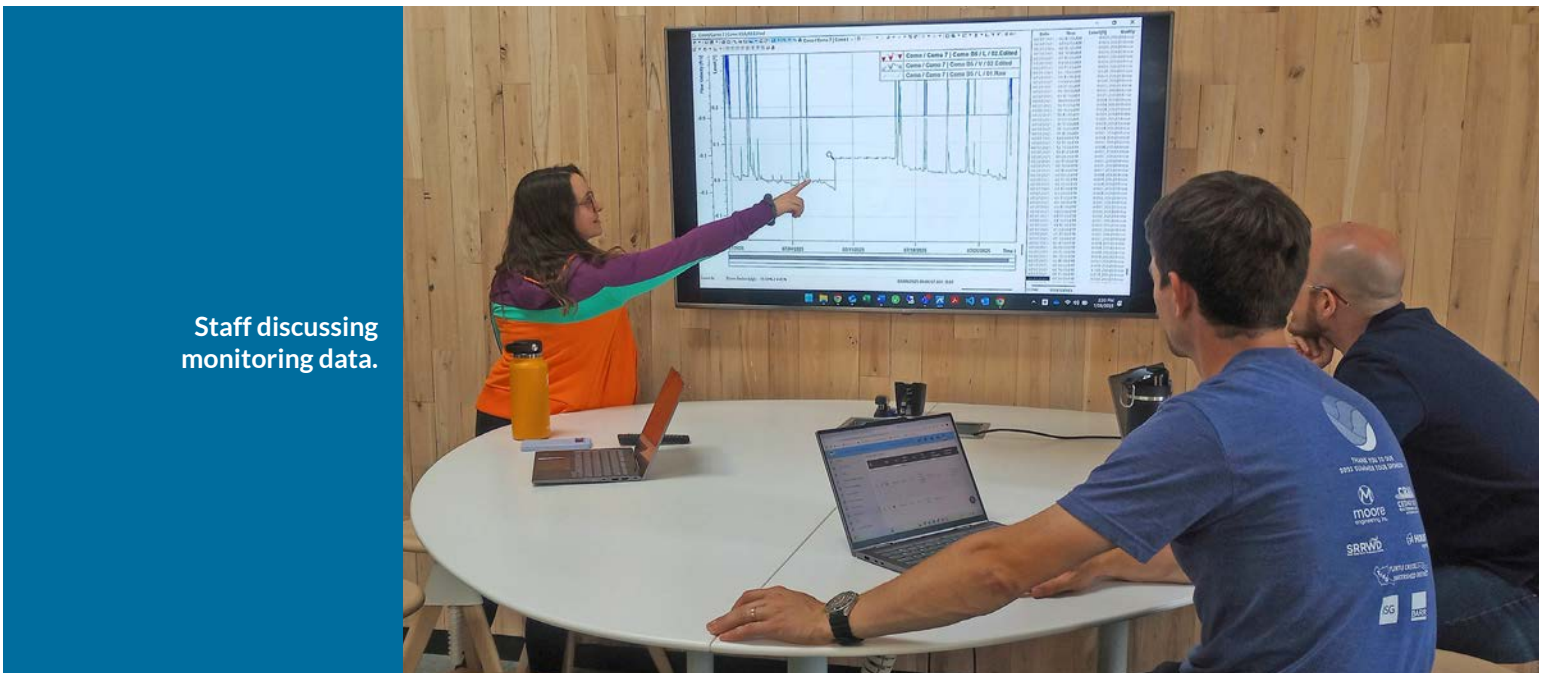
Staff sampling stormwater from melting snow at an outfall on Como Lake.



Staff installing a sensor at a storm sewer outfall on the Mississippi River.



Inspecting the pipe gallery at AHUG, an underground infiltration system.



Staff discussing monitoring data.

## 4.5 Regulatory

CRWD's Regulatory Program protects the District's lakes, wetlands, and the Mississippi River from stormwater pollution. Most of CRWD is fully developed, making it necessary to incorporate stormwater improvements in redevelopment projects to reduce stormwater pollution. CRWD Rules require erosion and sediment control during construction. Completed projects are required to have stormwater Best Management Practices (BMPs) that capture 1.1 inches of rainfall. Projects are also required to protect and replace impacts to both floodplain and wetlands, as well as account for inputs to our Trout Brook Storm Sewer Interceptor, a permitted municipal separate storm sewer system.

In 2025, CRWD's Regulatory Division staff continued implementing our Permitted Sites Maintenance Program to ensure that permitted stormwater practices continue to provide water quality benefits for years to come. CRWD also completed a Permit Program review to assess ongoing opportunities for improvement and efficiency and to make recommendations for achieving these goals. In 2025, the Regulatory Program had a budget of \$634,980 across all work.

### 4.5.1 Permitting and Inspections

In 2025 CRWD received 54 new permit applications, a significant increase from applications received last year. 15 sites met the District's Rules using alternative compliance through filtration, enhanced filtration, volume banking, meeting the linear cost-cap, or payment into the Stormwater Impact Fund. This flexibility for meeting requirements provides strong and realistic regulatory options. CRWD closed 26 completed permits, which then transitioned to the ongoing maintenance phase.

CRWD staff, along with our consultants, completed 619 inspections of permitted projects in 2025 to ensure that permitted projects maintain compliance with CRWD Rules. CRWD Inspectors offer technical support, frequent communications and accountability that provide robust protection for our watershed and downstream waters.

### 4.5.2 CRWD Permits By Year\*

	2021	2022	2023	2024	2025	Total (since 2006)
Applications Received	37	27	33	41	54	645
Acres Disturbed	113	85	108	88	102	2892
Acres Impervious	55	41	58	55	60	1535
Alternative Compliance Sites	21	15	12	18	16	292
Standard Compliance Sites	16	12	21	23	38	353
Linear Projects	6	9	5	8	12	145
Total Linear Impervious (ac)	23	29	21	39	24	728
Total Linear Treatment (cf)	79,034	61,076	28,860	54,936	68,404	2,306,515
Infiltration Approved (cf)	84,063	81,428	197,517	42,158	85,720	2,791,647
Filtration Approved (cf)	36,263	57,496	67,163	53,618	82,670	3,271,603
Total Treatment Volume	120,326	138,924	264,680	95,776	168,390	6,063,250
Variances Requested	3	3	4	6	10	57
Variances Approved	3	3	4	6	10	57
Incomplete/Withdrawn Applications	3	0	2	2	1	36

\*Data collected on 3/17/2026

### **4.5.3 Rules**

In 2006, the District adopted water quality and stormwater management rules, as well as a permitting program to carry out these rules. The District Rules apply to stormwater management, flood control, wetlands, erosion and sediment control, and connections to the Trout Brook Interceptor. They also require stormwater management permits for construction projects disturbing one acre or more of land. The last CRWD Rules update was in 2023. The next round of rule revisions is anticipated in 2026.

### **4.5.4 Permitted Sites Maintenance Program (PSMP)**

Formalized over the last 3 years, the PSMP aims to increase rates of compliance for inspection, reporting, and maintenance requirements on stormwater management practices that have been constructed under CRWD's Rules.

A priority subset of all permits (closed, under private ownership, and with most treatment, totaling 70 permits) received an automated email from staff in 2025, reminding them to inspect and maintain their stormwater management system. CRWD staff also conducted on-site maintenance inspections for 24 previously permitted projects in 2025, each with 1-5 stormwater BMPs. Staff inspections were prioritized for sites with large volume stormwater practices and those which were recently closed. Of the 24 sites inspected, there were 17 sites (71%) where maintenance was required or recommended. Of those 17 sites, 9 sites (53%) have already completed maintenance at the time of this report. Much of this was routine cleaning, with no major rehabilitation identified. Staff also received, reviewed, and provided feedback on inspection and maintenance report submittals and provided technical resources to additional sites as requested.

Additional staff inspections are planned for 2026, continuing to grow the program. Two additional areas have been identified for 2026 prioritization including industrial sites and underground corrugated metal pipe (CMP) system vulnerable to corrosion. Staff also intend to strengthen technical guidance information on several subjects in 2026, to better support maintenance contacts.

### **4.5.5 Illicit Discharge Detection and Elimination (IDDE)**

An illicit discharge is the disposal or discharge of pollutants and other 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. There are numerous types of illicit discharges, including improper disposal of auto and household chemicals, construction site sediment, laundry and car wash water, and spills from roadway or railway accidents.

In 2025 CRWD responded to six complaints for potential illicit discharges, including one that was the result of a vehicle crash into Como Lake. Five of the complaints were resolved with the assistance of partner agencies or through direct communication with property owners. One complaint remains unresolved and CRWD and its partners are investigating potential solutions. Two complaints from 2024 remain unresolved, the sources have not been determined.

### **4.5.6 Water Reuse Policy**

State-wide water reuse workgroups and conversations mainly wrapped up in 2024, with no additional workgroup meetings held in 2025.

### **4.5.7 Regulatory 2026 Work Plan**

In 2026, the Regulatory program has a budget of \$817,750 across all work. Planned projects and work include continued research and discussion of Rule revisions expected to be finalized in 2026. Staff will

complete a Regulatory Division program review and implement recommendations. The Permitted Sites Maintenance Program will incorporate additional privately owned stormwater practices, ongoing owner support, and future planning.

<b>Regulatory 2026 Work Plan</b>		
<b>Project Name</b>	<b>Priority</b>	<b>Description</b>
General Permitting Implementation	Critical	Continue Implementing District Permit Program
Coordinated Construction Site Inspections	Critical	Coordinate Erosion and Sediment Control Inspections with Partners
Permittee Post Construction BMP Inspections	Critical	Inspect completed permit projects for compliance and maintenance
Engagement Activities with Permittees	Important	Engagement Activities with permittees, developers, engineers and applicants
Rules Evaluation and Update	Critical	Evaluate and consider updates to Rules, including Green Infrastructure Incentive Possibilities
Illicit Discharge Detection and Elimination	Important	Implement IDDE Program, including staff training
Industrial Stormwater Permittee Coordination	Beneficial	Support and Coordinate with ISW Permittees
Water Reuse Policy Support	Critical	Support the advancement of SW Reuse through Policy Initiatives

## Regulatory



Installing required permanent underground stormwater treatment.



Inspection of permanent stormwater practices through the Permitted Sites Maintenance Program identified needed maintenance.



Active construction permitting work strives to keep soil and other materials contained within project limits and out of storm sewers and waterways.

## 4.6 Facility Management

The Facility Management Division was established by the CRWD Board in December of 2023 with the goals of consolidating maintenance activities under one division and assisting public partners to ensure stormwater best management practices (BMP) function properly over its lifespan through adequate operation and maintenance.

In 2025, the Facility Management Program had a budget of \$918,140.

### 4.6.1 District-Owned Facility Management

The District owns and is responsible for maintenance of a variety of BMPs across the watershed, ensuring their long-term function and environmental benefits. Each year, CRWD coordinates maintenance for BMPs including rain gardens, infiltration basins, underground infiltration/filtration systems, iron-enhanced sand filters, and large-scale vegetation restoration sites.

CRWD-owned and maintained BMPs include the Green Line rain gardens, stormwater planters and infiltration trenches; Arlington-Pascal rain gardens and underground infiltration system; CRWD office BMPs; Highland Ravine stabilization; Como Golf Course infiltration basin, underground infiltration system, vegetated buffer, and iron-enhanced sand filter bench; and Parkview Center School filtration system. Maintenance activities include vegetation management, hand removal of sediment and trash from rain gardens, hydrovacating, and other tasks.

In 2025, CRWD completed a comprehensive assessment of Highland Ravine 3 and its contributing drainage area to identify causes of worsening erosion and define long-term stabilization needs. Working with a consultant, the District developed a three-phase implementation plan—targeted tree removals, repairs and upgrades to erosion control features and outlets, and sustained vegetation management—that is designed to stabilize and increase the resiliency of the Highland Ravine 3 area. This plan provides a clear path to reduce erosion, improve hydrologic stability, and sustain habitat integrity over time.

### 4.6.2 Partner Owned Facilities

The District also provides maintenance and technical support for some partner-owned facilities, including the following.

Since 2016, CRWD has managed vegetation at the 23-acre Willow Reserve to support native plants and wildlife. This work continued in 2025 and focused on removing invasive species from the upland and emergent wetland areas within the reserve.

At Seminary Pond, maintenance includes sediment removal and routine vegetation management. In response to increasingly intense rain and windstorms, additional measures such as channel stabilization, removal of fallen trees, drain tile clean out repair, and knotweed removal treatment have been necessary.

In 2025, CRWD continued work with the Saint Paul Saints and Barr Engineering to study the rainwater reuse system at CHS Field in Lowertown, Saint Paul. The completed report identified problems with the existing system and recommended changes to regain function by adjusting filtration levels, re-orienting disinfection components, and operation valves, replacing controllers, removing the playing field as irrigation demand in exchange for irrigating the landscaping external to the ballpark. In 2026, these solutions will be implemented to optimize reuse of captured rainwater at the ballpark.

CRWD maintains the rainwater reuse system at the United Village (Snelling-Midway) redevelopment on behalf of the City of Saint Paul. In 2025, CRWD continued coordination with the City of Saint Paul and the development team to implement the regional reuse system as individual parcels are planned and built.

### **4.6.3 BMP Database**

CRWD's BMP database is a single, online source for housing the District's data. It is an important tool for district operations to manage data and analyze and report results. The database is used to track project progress, BMP implementation, and maintenance activities, and aids in generating maps and summarizing CRWD's activities and environmental benefits. It is a critical component for programs such as Grants and Regulatory for streamlining and automating workflows. This service improves the District's ability to administer programs efficiently, provides clear documentation and consistent communication across programs, and increases public ease of use.

In 2025, CRWD updated the BMP database regularly with new projects and programs and maintained existing data records.

### **4.6.4 Pooled BMP Maintenance Program**

2025 was the second year of CRWD's Pooled BMP Maintenance Program. The District managed a maintenance contract to provide high quality rain garden maintenance for 23 gardens owned by 6 local government partners. Work ranged from routine weeding and inlet cleaning to full replanting.

CRWD also expanded the Pooled BMP Maintenance Program in 2025 to include stormwater pond cleanouts. In this inaugural year, Saint Paul Public Works - Sewers Division submitted four sites to be included in the maintenance contract. In 2026, the project will remove over 8,400 tons of sediment from these basins and restore their full capacity to continue capturing sediment and pollutants from stormwater.

### **4.6.5 Street Sweeping Program**

In 2025, CRWD reviewed potential funding approaches with Saint Paul Public Works staff to initiate an Enhanced Street Sweeping Pilot Program to supplement the existing programmatic sweeping conducted twice per year (Spring and Fall). Unfortunately, timing of agreements and needed operational changes at the City did not align, but CRWD will continue to work with street sweeping operations staff to pursue enhanced sweeping in 2026.

### **4.6.6 Facility Management 2026 Work Plan**

In 2026, the Facility Management Program and Capital Improvement Projects have a budget of \$769,350 and \$1,459,990, respectively. Planned projects and work include the following.

- Replacement of Parkview's filtration system cartridges
- Supplemental reseeding at Como Golf Course and Seminary Pond
- Slope stabilization at Seminary Pond's Gasperre Ravine
- Sensor replacement and control calibration at Trout Brook Nature Sanctuary (TBNS)

<b>Facility Management Program 2026 Work Plan</b>		
<b>Project Name</b>	<b>Priority</b>	<b>Description</b>
District-Owned Facility Management	Critical	Inspect, maintain and repair District-Owned Facilities
Shared Ownership Facility Management	Critical	Inspect, maintain and repair facilities
Partner Owned Facilities	Important	Provide maintenance support of partner owned facilities
BMP Database	Critical	Update and maintain District's BMP Database
Pooled BMP Maintenance Program	Critical	Contracted Maintenance Services for Partner BMPs
Trash Management Pilot	Important	Remove trash from pond areas and collect data on effectiveness and cost
Street Sweeping Pilot	Beneficial	Conduct Targeted Street Sweeping for Water Quality

<b>Facility Management Capital Improvement Projects 2026 Work Plan</b>		
<b>Project Name</b>	<b>Priority</b>	<b>Description</b>
Gottfried's Pit	Important	Major repairs or capital maintenance at Gottfried's Pit
Como Golf Ponds	Important	Major repairs or capital maintenance for Como Golf Ponds at Lexington
Future Capital Maintenance	Beneficial	Design, engineer, and implement major capital repairs or upgrades to stormwater infrastructure
Pooled BMP Pond Dredging	Critical	Future Capital Maintenance
CHS Field Reuse	Important	Complete update to restore system function
TBNS Lift Station	Important	Maintain functionality of system
Highland Ravine Repair Project	Critical	Repair ravine damaged by large rainfall

## Facility Management



Pooled BMP pond dredging at Atwater Western Pond.



Pooled rain garden maintenance prescribed burn at Highland Bridge basins.



Seminary Pond vegetation after early season spot mowing.

## 5 Our Work – Projects, Plans and Studies

### 5.1 Como Lake

Como Lake is approximately 15.5 feet deep, a shallow 70.5-acre lake within a highly urbanized watershed in the City of Saint Paul. Como Lake and its associated parkland are major regional recreational amenities, hosting up to 4.5 million visitors annually. The lake drains 1,711 acres of land in Saint Paul, Roseville, and Falcon Heights. In 2025, Como Lake subwatershed projects and Best Management Practices (BMPs) had a budget of \$279,420 and \$5,723,750, respectively.

Under the guidance of the Como Lake Management Plan (CRWD, 2019), several projects and ongoing efforts to improve lake water quality were implemented in 2025. Key in-lake projects included:

- Sampling chloride levels in the winter
- A whole-lake herbicide treatment to control the growth of the invasive curly-leaf pondweed and Eurasian watermilfoil
- Lakeshore vegetation survey to support lakeshore management efforts with the City of Saint Paul
- Native aquatic plant community development through emergent plant planting
- Support the City of Saint Paul during the repair and construction of 18 storm sewer outfalls flowing into the lake, including erosion and sediment control inspections and the development of post-construction lakeshore restoration plans with recommendations for seed mixes and planting plans that coincide with the Como Lakeshore Management Plan
- Lakeshore erosion and access path survey to identify potential areas for stabilization

#### 5.1.1 McMurray Field

CRWD and the City of Saint Paul are partnering on a large stormwater treatment project protecting Como Lake. McMurray Field is west of the Lexington Parkway and Wynne Avenue intersection and is part of Como Regional Park. The area drains approximately 156 acres of runoff that currently flows to Como Lake with minimal treatment.

In 2016, CRWD partnered with the City to install a storm sewer diversion structure during improvements to Lexington Parkway in anticipation of this future opportunity to install a regional stormwater treatment system at McMurray Field. CRWD and the City are now planning the construction of a combination of stormwater treatment methods, including infiltration by rain gardens, underground infiltration, and a reuse system for irrigation of green spaces. This unique approach will reduce potable water use, improve the condition of park green spaces, and reduce pollution to Como Lake.

Design continued in 2025 and will be completed in early 2026. Construction of the project is expected to begin in fall 2026. CRWD was awarded a \$950,000 Clean Water Fund grant through the Clean Water, Land, and Legacy Amendment as well as a \$2,000,000 grant through the MPCA Implementation Grants for Stormwater Resilience to support the construction of the multimillion-dollar project.

#### 5.1.2 Como Lake 2026 Work Plan

In 2026, Como Lake subwatershed projects and BMPs have a budget of \$595,940 and \$5,334,700 respectively. Planned work and projects include the following.

- A whole-lake herbicide treatment for curly-leaf pondweed control and Eurasian watermilfoil in spring 2026
- Hand-pulling and removal of Eurasian watermilfoil live plants

- Supporting and monitoring transplanted native aquatic plants in the lake
- Ongoing lakeshore maintenance, including vegetation management and invasive species removal
- The stabilization and restoration of informal access paths along the lakeshore, including erosion control and the installation of shore fishing areas
- The installation of ten educational signs around the lake
- The hosting of on-the-water recreational events for the public
- Native freshwater mussel surveys

<b>Como Lake Subwatershed 2026 Work Plan</b>		
<b>Project Name</b>	<b>Priority</b>	<b>Description</b>
Como Lake Aquatic Plant Management	Critical	Management of Nuisance Aquatic Plants & Native Aquatic Plant Transplanting
Como Lake Fisheries Management	Important	Support and collaborate on maintaining a balanced fishery
Shoreline Management	Important	Develop and implement a shoreline management program
Water-based Recreation Management	Important	Installation of Como Lake Signs
Gottfried's Pit Subwatershed Study	Important	Comprehensive feasibility study of Gottfried's Pit and contributing subwatershed to evaluate flood reduction strategies
Como Lake Trash Management	Beneficial	Accelerated Trash Management around Como Lake
General CLMP Implementation Fund	Important	General administration and implementation of the Como Lake Management Plan (CLMP)
McMurray Field Stormwater BMP	Critical	McMurray Field Stormwater BMP

## Como Lake



Giant floater mussels from mussel survey in Como Lake.



Staff planting emergent aquatic plants along the Como shoreline.



McMurray Fields photo: McMurray Fields in Saint Paul are part of Como Regional Park and the site of a future stormwater management project.

## 5.2 Lake McCarrons

Lake McCarrons is a 75-acre lake with a maximum depth of 57 feet. It supports a variety of activities including swimming, boating, and fishing. The Lake McCarrons watershed covers 1,050 acres of land in Roseville, Minnesota. In 2025, Lake McCarrons subwatershed projects had a budget of \$81,670.

Under the guidance of the Lake McCarrons Management Plan (CRWD, 2020), one major project was implemented in 2025:

- Carp surveys to estimate carp population in the lake and determine ages of carp caught

### 5.2.1 Lake McCarrons 2026 Work Plan

In 2026, Lake McCarrons subwatershed projects have a budget of \$106,310. Planned work and projects include an evaluation of the aquatic plant community assemblage and Aquatic Invasive Species (AIS) management needs.

Lake McCarrons Subwatershed and BMPs 2026 Work Plan		
Project Name	Priority	Description
Villa Park Wetland System Evaluation	Important	Evaluate the Villa Park Wetland System
Lake Vegetation and AIS Management	Beneficial	Manage Nuisance and Invasive Aquatic Plants
Balanced Fisheries Targets	Beneficial	Carp population Survey

## 5.3 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 the City of Saint Paul. Loeb Lake receives drainage from approximately 44 acres and does not have an outlet. It is stocked with fish and is a Minnesota Department of Natural Resources (MN DNR) Fishing in the Neighborhood program site. In 2025, Loeb Lake subwatershed projects had a budget of \$74,400.

In September 2024, CRWD identified a non-native aquatic species in Loeb Lake, prickly waterlily (*Euryale ferox*) and collaborated with the MN DNR and Ramsey County to remove and dispose of all visible plants from the lake. In 2025, additional hand-pulling occurred to remove and dispose of any additional plants observed.

### 5.3.1 Loeb Lake 2026 Work Plan

In 2026, Loeb Lake subwatershed projects have a budget of \$65,700. Planned work and projects include the following.

- Initiating an update to the Loeb Lake Management Plan
- Monitoring the presence of prickly waterlily (*Euryale ferox*) and removing as needed in partnership with MN DNR and Ramsey County

Loeb Lake Subwatershed 2026 Work Plan		
Project Name	Priority	Description
Loeb Lake Management Plan Update	Important	Update Loeb Lake Management Plan

## 5.4 Crosby 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 from 234 acres, their water quality has generally been good with very good lake clarity. In recent years, however, the water quality in both Crosby and Little Crosby Lakes has fluctuated due to extended inundations from Mississippi River flooding.

In 2025, Crosby Lake subwatershed BMPs had a budget of \$122,170.

CRWD is working to study a potential wetland and stormwater pond retrofit near Shepard Road and 35E. In 2024 and 2025, CRWD collected water quality and discharge data at the outlet of the stormwater pond to support a feasibility study.

### 5.4.1 Crosby Lake 2026 Work Plan

In 2026, Crosby Lake subwatershed projects have a budget of \$185,530. Planned work and projects include the following.

- Update the Crosby Lake Management Plan
- Continuing water quality monitoring for the wetland and stormwater pond retrofit project
- Creating an initial scope of work for a feasibility study of the wetland and stormwater pond retrofit project

Crosby Lake Subwatershed 2026 Work Plan		
Project Name	Priority	Description
Crosby Lake Management Plan	Important	Update Crosby Lake Management Plan
Crosby Farm Wetland Retrofit	Beneficial	Design wetland retrofit at outfall from Shepard Road and 35E

## Lake McCarrons and Loeb Lake



Staff hand-pulling prickly water lily (*Euryale ferox*), a non-native aquatic species in Loeb Lake.



Survey of carp in Lake McCarrons.

## 5.5 Trout Brook

CRWD owns, operates, and maintains the Trout Brook Interceptor (TBI), which receives runoff from over 8,000 acres of 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. The systems were separated in 1988. Today, TBI carries rainwater and snowmelt from city streets, parking lots and other hard surfaces to the Mississippi River.

In 2025, Trout Brook subwatershed projects and BMPs had a budget of \$247,370 and \$313,530, respectively.

### 5.5.1 TBI Inspection

In 2025, CRWD completed inspection of the full pipe system under CRWD ownership as is typically done every five years. Pipe conditions are observed and compared to past inspection documentation to identify deficiencies within TBI such as deteriorating concrete, exposed reinforcement, holes, cracks, fractures, and sediment deposits. The inspections provide valuable data to inform recommendations for future repair work needed to ensure safe and proper function of the system and form the basis of a 10-year Capital Improvement Plan.

The inspection completed in 2025 found most of the tunnel to be in fair condition, with most of the previously noted high-priority defects having been addressed by prior maintenance. Recommended maintenance and repair for the future include in-pipe concrete repairs and sediment in some sections and replacement of about 250 feet of tunnel just west of Willow Reserve.

### 5.5.2 TBI Subwatershed Studies

Staff completed feasibility studies for flood mitigation opportunities in five different flood areas. Three of these areas overlapped with street reconstruction in Saint Paul. The other two areas are in the Cities of Roseville and Falcon Heights and are adjacent to churches or public spaces that provide opportunities to install flood mitigation systems. Identified solutions ranged from underground storage, stormwater pipe upsizing, and green infrastructure opportunities.

Opportunities overlapping with planned street reconstruction were evaluated further for incorporation into roadwork but were unfortunately determined not to be feasible after further investigation. Several flood mitigation opportunities were identified in Roseville and Falcon Heights, but the costs were too high for the modeled benefits. The project identified the need for a comprehensive flood mitigation investigation within the entirety of the Gottfried's Pit Subwatershed, and planning work for that study is underway.

### 5.5.3 Trout Brook 2026 Work Plan

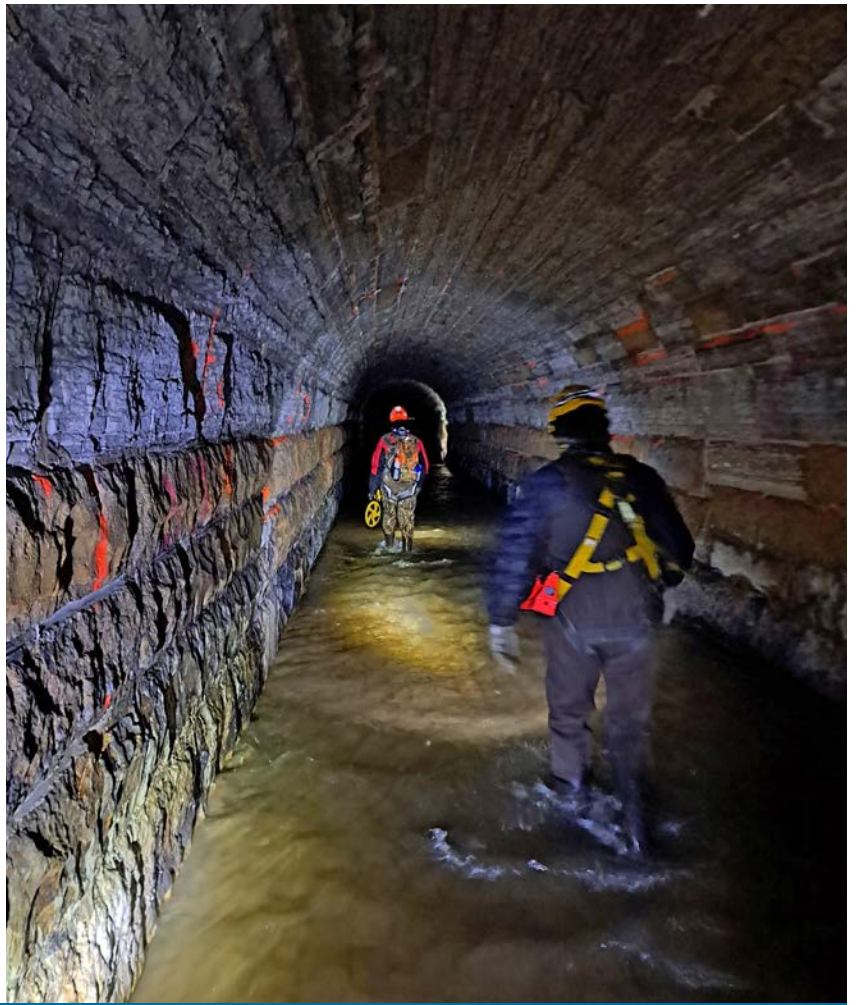
In 2026, Trout Brook subwatershed projects and BMPs have a budget of \$315,510 and \$441,700, respectively. Planned work and projects include the following.

- Additional investigation into flood mitigation and water quality opportunities in high priority flood areas
- Investigate opportunities for stormwater management and wetland management at the former Kmart site, owned by the Saint Paul Port Authority, off Maryland Avenue and L'Orient Street in Saint Paul

### Trout Brook Subwatershed and BMPs 2026 Work Plan

Project Name	Priority	Description
TBI Inspection and Maintenance	Critical	Manage, operate, inspect, maintain, and make minor repairs TBI
NPDES MS4 Stormwater Program	Critical	Implement MS4 SWPP
Kmart Redevelopment Support	Critical	Support Kmart redevelopment for stormwater management, flood mitigation, and wetland restoration
TBI Subwatershed Study	Important	Investigate area of TBI subwatershed for mitigation and WQ opportunities
TBI Easement Verification & Documentation	Beneficial	Conduct TBI easement verification, acquisition and documentation work
Trout Brook Flood Mitigation and WQ Projects	Important	Advance designs for 2-3 project opportunities previously identified in flood feasibility studies.
TBI CIP Repair Project	Critical	Design and engineering for repairs to Trout Brook Tunnel

## Trout Brook



Trout Brook five-year inspections.



Staff members from different divisions joined contractors during the Trout Brook five-year inspections.

## 5.6 Groundwater

In 2025, Groundwater Projects and BMPs had a budget of \$66,000.

### 5.6.1 Groundwater Seep and Springs Update

In 2025, CRWD hired a consultant to complete a third year of groundwater seeps and springs field assessments to build upon inventories conducted in 2022 and 2023. Staff and consultants revisited previously identified locations under more typical precipitation conditions to better understand how seep and spring activity varies across wet and dry years. Site conditions were documented, active features were confirmed, and rankings were updated based on observed flow, natural resource value, and potential impacts to nearby properties and infrastructure. This additional year of data provides a more complete picture of groundwater emergence within the District and supports future management and planning efforts.

### 5.6.2 Lexington Parkway Groundwater Investigation

Work began to complete a feasibility study along a bluff line in Saint Paul where naturally occurring groundwater has negative impacts to surrounding residential properties and a county-owned sidewalk and roadway. The study will detail information about the locations and characteristics about the seeps and springs along the bluff line. It will also identify concept-level possibilities to reduce the negative impacts of the springs where they cause the most damage. These concept designs will help partners and residents make informed decisions about what steps could be taken to mitigate negative impacts.

### 5.6.3 Groundwater 2026 Work Plan

In 2026, groundwater projects have a budget of \$103,550. Planned work includes

- Completing the Lexington Parkway Groundwater Investigation
- Completing the Groundwater Seeps and Springs Inventory Update

Groundwater Projects 2026 Work Plan		
Project Name	Priority	Description
Groundwater Seeps and Springs Update	Beneficial	Investigate and document known seeps and springs and update inventory
Lexington Parkway Groundwater Investigation	Important	Finalize preliminary investigation and advance designs

## Groundwater



Identifying groundwater seeps and springs along a bluff.



Groundwater flow on sidewalks and roadways causes icy conditions.



Ice buildup on sidewalk from groundwater flow.

## 5.7 Wetland, Stream, and Ecosystem Restoration

In 2025, Wetland, Stream and Ecosystem Restoration projects and BMPs had a budget of \$206,760 and \$111,400, respectively.

### 5.7.1 Natural Resource Inventories

CRWD has recently completed two natural resource inventories; one in the North End neighborhood and one on the Eastside of Saint Paul. CRWD continues to engage in conversations and advance partnerships to pursue natural and water resource protection and enhancement in these areas and throughout the District.

### 5.7.2 Wetland Management Plan

In 2023 CRWD partnered with the City of Saint Paul to jointly update our respective Wetland Management Plans. One of the primary goals of the project is identifying locations for construction of a wetland mitigation bank to provide wetland replacement options for projects that create unavoidable wetland impacts. The project team refined an initial list of 154 potential mitigation sites down to 12 high-priority sites based on constraints, feasibility and feedback from the City and agency partners. Initial outreach to some site landowners began in 2024 and continued into 2025.

In addition, staff reviewed Minnesota Routine Assessment Method (MnRAM) data for existing wetlands and identified up to forty wetlands for vegetation or hydrologic regime improvements. The project also provides a framework to determine whether CRWD should offer additional regulatory protection to existing wetlands and what form those protections could take. The final report was adopted by CRWD in the fall of 2025.

CRWD is currently working with the Saint Paul Port Authority, landowner of the former Kmart site, which is a high priority wetland restoration site on a water resources and wetland feasibility study. CRWD has also begun discussions with the City of Saint Paul regarding wetland improvements at a site along the Mississippi River.

### 5.7.3 Targeted Wetland Delineation

In 2025, CRWD worked with a consultant to complete wetland delineations around several key water resources—Como Lake, Loeb Lake, Lake McCarrons, and the Shepard Road/35E area—to strengthen the District’s understanding and management of local wetland systems. The project provided accurate wetland boundaries, identified wetland types and hydrologic characteristics, and documented conditions across publicly owned lands adjacent to these resources. This work supports CRWD’s responsibilities as the Local Government Unit under the Wetland Conservation Act, enhances regulatory consistency, and improves planning for restoration, land use, and future construction activities near sensitive wetland areas.

### 5.7.4 Wetland, Stream, and Ecosystem Restoration 2026 Work Plan

In 2026, Wetland, Stream, and Ecosystem Restoration projects and BMPs have a budget of \$249,530 and \$109,920, respectively. Planned work and projects include support to partners for pursuit of opportunities identified during the Natural Resource Inventories and the work at the former Kmart site.

Wetland, Stream, and Ecosystem Restoration 2026 Work Plan		
Project Name	Priority	Description
Phalen Creek Daylighting	Critical	Support for Phalen Creek Daylighting and partner collaboration
Hidden Falls Creek Restoration	Beneficial	Partner with the City to conduct stream and trail feasibility/engineering
Regulatory Wetland Assessment	Important	Complete Suspect/Potential Wetland Inventory
Ramsey County Cooperative Weed Management Area (CWMA)	Beneficial	Support and participate in the Ramsey County CWMA Partnership
Wetland Reestablishment: Implementation	Important	Develop and implement Wetland restoration, excluding Kmart redevelopment

## 5.8 Mississippi River

In 2026, the combined Mississippi River subwatershed projects and BMPs had a budget of \$390,720.

- Mississippi River Confluence Subwatershed Projects: \$145,200
- Mississippi River Downtown Subwatershed Projects: \$245,520

### 5.8.1 River Learning Center and River Balcony

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 2025, GRPC merged with Saint Paul Parks Conservancy and will be continuing the work under the new organization. Design development for the River Learning Center launched in late 2024 and continued through 2025. CRWD provided technical, community engagement and regulatory feedback regarding preliminary designs. Final designs are anticipated to be completed in early 2026, and CRWD will continue coordination on the project with Saint Paul Parks Conservancy.

### 5.8.2 Capitol Area Stormwater Plan

CRWD partnered with the Capitol Area Architectural Planning Board, the State board charged with planning and zoning in the 333 acres surrounding the State Capitol building, to complete a stormwater study. The study, completed in 2024, defines water quality and community related goals for the area and identifies opportunities for improved district or regional stormwater management. It provides a framework for using rain as a resource to achieve environmental, community and economic benefits in four distinct areas: the Capitol Mall, the former Sears site, the Rice Street corridor, and the University Avenue and Rice Street intersection. The study identifies district level BMP concepts for each site and quantifies and compares the stormwater, environmental, economic and social benefits to the costs and benefits of a baseline or status quo approach to stormwater management. Conversations continued in 2025, and CRWD was involved in ongoing street reconstruction planning for Rice Street corridor. Planning will continue in 2026 with Rice Street reconstruction anticipated in 2027.

### 5.8.3 Phalen Creek Subwatershed Study

CRWD partnered with the City of Saint Paul to complete hydraulic/hydrologic and water quality modeling of the Phalen Creek Subwatershed. This project will identify and prioritize areas of localized flooding in the District and identify opportunities for flood risk reduction and water quality improvement. Modeling began in 2024 and continued through 2025 with anticipated completion in early 2026.

### 5.8.4 Waḡaḡ T̄ipi Awanyankapi

Waḡaḡ T̄ipi Awanyankapi is constructing a center to serve as an intergenerational gathering place that honors Waḡaḡ T̄ipi and Wiḡahapi as Dakota sacred sites. The center will be built at Waḡaḡ T̄ipi (the area formerly named Bruce Vento Nature Sanctuary) which holds 27 acres of restored wetland, prairie, and forest next to the Mississippi River. Central to the design of the Waḡaḡ T̄ipi Center are 2.1 acres of dry prairie, mesic prairie, low-mow grass paths, and teaching gardens.

In 2025, CRWD awarded a grant to Waḡaḡ T̄ipi Awanyankapi to support maintenance of the natural areas and landscaping around the new Waḡaḡ T̄ipi Center for the first five years following construction.

### 5.8.5 Mississippi River 2026 Work Plan

In 2026, the Mississippi River Confluence and Downtown subwatershed projects have a budget of \$145,200 and \$245,520, respectively.

Planned work and projects include

- Finalizing the Phalen Creek Subwatershed Study
- Providing grant support at the Waḡaḡ T̄ipi Center
- Continuing support for River Learning Center design
- Continuing CAAPB planning effort support

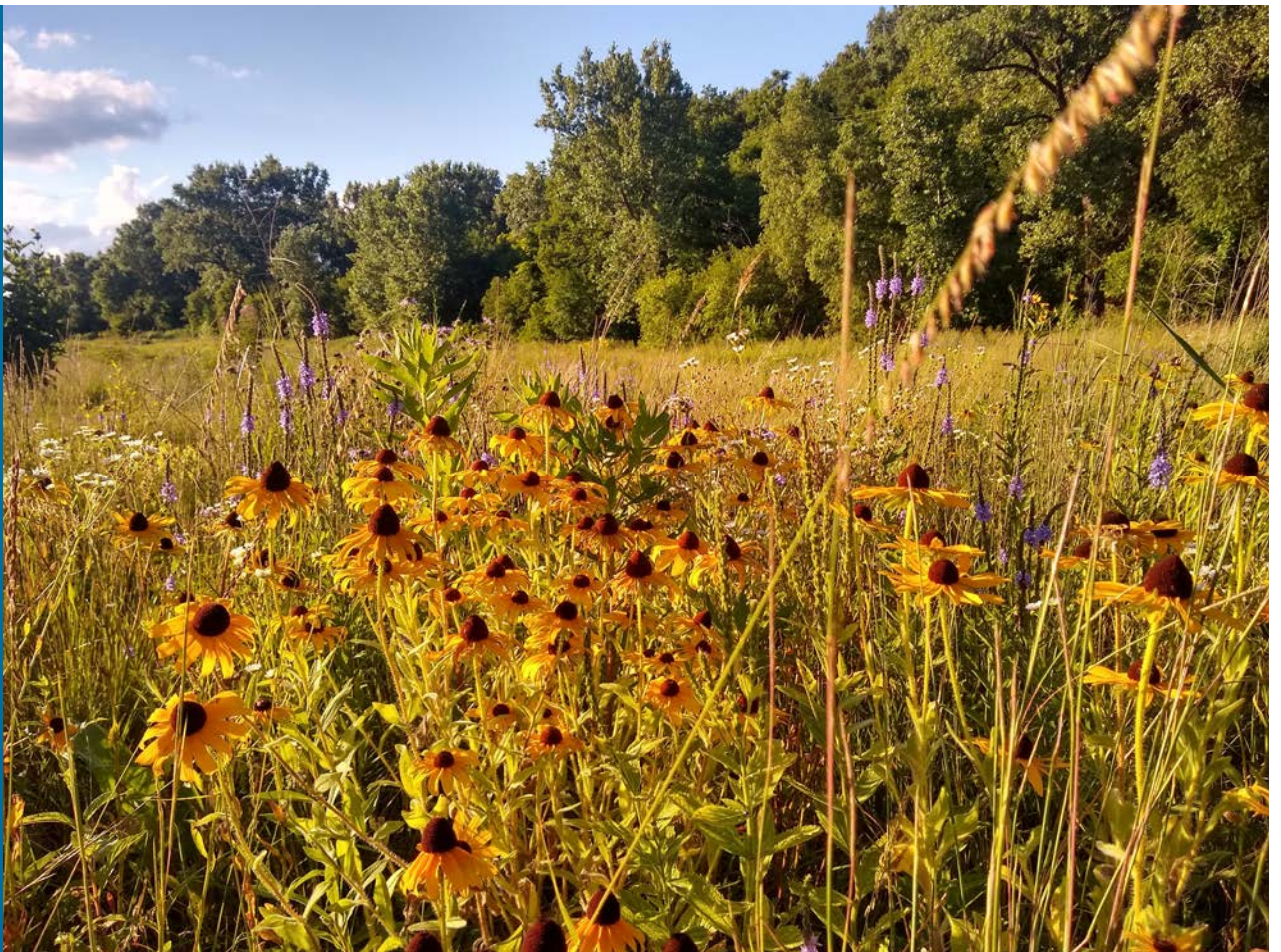
Mississippi River Subwatersheds 2026 Work Plan		
Project Name	Priority	Description
Highland Bridge Signage	Beneficial	Provide design and Planning Assistance for the Ford Site
Ford Site – Area C	Important	Provide Plan review and comments on the Ford Site Area C
River Learning Center	Critical	Provide support for advancement of River Learning Center Design
Highland Bridge	Beneficial	Provide assistance with tours, system operation, etc.
Capitol Area Stormwater Plan	Critical	Support SW planning efforts for the CAAPB
Sears Site Redevelopment	Beneficial	Evaluate stormwater management opportunities at the former Sears Site
Waḡaḡ T̄ipi Awanyankapi	Important	Provide support for the creation of Waḡaḡ T̄ipi Awanyankapi

# Mississippi River



Construction  
of the Waqan Típi  
Center.

Native plants and  
wildflowers at the  
Waqan Típi.  
Photo by  
Friends of the  
Mississippi River.



## 5.9 Watershed Wide Planning, Assessment and Implementation and CIP

In 2025, Watershed Wide Planning, Assessment and Implementation projects had a budget of \$652,560.

### 5.9.1 Climate Resiliency Framework

In 2025, CRWD completed a Climate Resiliency Framework (CRF) that identifies 24 implementation activities that will be completed to help the District create climate resilience in our watershed for our water resources, stormwater infrastructure, natural resources, and communities. The Framework’s goals and activities are centered around understanding climate change impacts to CRWDs work; mitigating flood risk; increasing the use of climate-resilient strategies in our work; increasing community awareness and connection to climate change; and working with partners to amplify our impact. A few examples of work already being completed include participation in regional climate change working groups, flood mitigation feasibility studies, and a robust monitoring program showing long-term data trends.

### 5.9.2 Chloride Management Plan

A Chloride Pollution Prevention Plan (CPPP) is being created to define the District’s role in reducing the use of chloride, as well as offer recommendations for implementation activities, to prevent chloride pollution to District water resources. The District began work on this plan in June of 2024 and aims to complete the plan in late spring 2026.

### 5.9.3 Watershed Wide 2026 Work Plan

In 2026, Watershed Wide Planning, Assessment and Implementation Projects have a budget of \$542,140.

- Implementing high-priority activities identified in the Climate Resiliency Framework
- Conducting a mid-plan Watershed Management Plan review to assess progress in achieving the goals and implementation activities outlined in the 2021-2030 WMP and identify areas of emphasis for the remaining five years of the plan.

Watershed Wide Projects 2026 Work Plan		
Project Name	Priority	Description
District Boundary Update	Beneficial	Update CRWD legal boundary using new LiDAR and recent subwatershed delineations
Planning and Project Development	Important	Project investigation and scoping/development
Climate Science and Resiliency	Critical	Implement high priority activities identified in CRWD Climate Plan
WMP Mid-Plan Review	Important	Conduct Review of WMP Progress
Partner Agency Plan Review	Important	Provide review and comments on partner agency plan reviews
GIS Program	Critical	Manage and update District GIS Resources
Future Stormwater Management Planning	Beneficial	Future Stormwater Mgt Planning from all 300's
District Chloride Management Plan	Important	Finalize District Chloride Plan and pursue high priority implementation activities

# Appendix A

## 2025 Annual Financial Report and Audit

# **ANNUAL FINANCIAL REPORT**

**Year Ended December 31, 2025**

**CAPITOL REGION WATERSHED  
DISTRICT**

**Ramsey County, Minnesota**

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

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**CAPITOL REGION WATERSHED DISTRICT**

**ORGANIZATION**

December 31, 2025



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

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## **FINANCIAL SECTION**

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## 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, 2025, 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, 2025, 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, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

April 8, 2026

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Capitol Region Watershed District  
595 Aldine Street  
Saint Paul, MN 55104  
(651) 644-8888 • capitolregionwd.org

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of 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, 2025.

### **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 \$34,737,112 (net position), of which \$16,438,043 represents a net investment in capital assets.

The District's total net position increased by \$3,568,737.

As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balance was \$20,474,051 compared to \$16,906,162 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.

## 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.

## Management's Discussion and Analysis

### Governmental Activities

Following is a comparison of the District's net position between 2025 and 2024.

#### **Capitol Region Watershed District's Net Position**

	<u>2025</u>	<u>2024</u>
Current and other assets	\$23,558,330	\$19,146,588
Capital assets	23,559,445	24,514,984
Total assets	<u>\$47,117,775</u>	<u>\$43,661,572</u>
Deferred outflows of resources related to pensions	<u>\$214,983</u>	<u>\$251,700</u>
Payables and unearned revenue	\$3,838,761	\$2,198,250
Long-term liabilities	8,279,432	9,991,427
Total liabilities	<u>\$12,118,193</u>	<u>\$12,189,677</u>
Deferred inflows of resources related to pensions	<u>\$477,453</u>	<u>\$555,220</u>
Net position:		
Net investments in capital assets	\$16,438,043	\$16,953,156
Restricted	954,473	914,161
Unrestricted	17,344,596	13,301,058
Total net position	<u>\$34,737,112</u>	<u>\$31,168,375</u>

## Management's Discussion and Analysis

Governmental activities resulted in an increase of the District's net position by \$3,568,737. The details of the increase are as follows:

### Capitol Region Watershed District's Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues:		
Program revenues:		
Charges for services	\$239,430	\$73,452
Operating grants and contributions	233,837	179,608
Capital grants and contributions	182,506	-
General revenues:		
Property taxes	10,220,736	9,694,365
Unrestricted investment earnings	762,670	784,023
Miscellaneous other	137,406	303,177
Total revenues	<u>11,776,585</u>	<u>11,034,625</u>
Expenses:		
General government	1,609,324	1,786,221
Conservation of natural resources	6,394,685	5,898,004
Interest and fees on long term debt	203,839	224,789
Total expenses	<u>8,207,848</u>	<u>7,909,014</u>
Change in net position	3,568,737	3,125,611
Net position - January 1	<u>31,168,375</u>	<u>28,042,764</u>
Net position - December 31	<u>\$34,737,112</u>	<u>\$31,168,375</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. It is also due to spending less on projects and capital improvement projects (CIPs) than was anticipated; these unspent project funds will be used for future projects and CIPs. In future years, depreciation expense will be recorded as the related capital assets are placed into service.

### **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.

## Management's Discussion and Analysis

The Operations fund balance increased by \$680,546 during 2025 due to reduction in program related expenditures than anticipated. The District budgeted expenditures of \$7,700,165. Actual expenditures were \$2,291,900 less than expected.

The Capital Improvement fund balance increased by \$2,859,601 during 2025. This was primarily due to engineering expenses only for the McMurray Project in 2025, and less Watershed-Wide CIP work.

The Debt Service fund balance increased by \$27,742 during 2025 due to the requirement to levy 105% of scheduled debt service payments.

### **Budgetary Highlights**

#### **Operations**

2025 actual revenue of \$6,088,811 was \$98,918 greater than budgeted revenue of \$5,989,893. 2025 actual expenditures of \$5,408,265 were \$2,291,900 less than budgeted expenditures of \$7,700,165. The expenditure budget variance is due to several factors. Several District programs were under budget, including Monitoring and Research, Communications and Engagement, and Facility Management Program. Some District Projects were also under budget including the Lake McCarrons, Loeb Lake and Mississippi River subwatershed projects. Several of those projects did not start in 2025 as anticipated because of other District priorities or lack of funding or readiness of partners.

#### **Capital Improvement**

Capital Improvement fund expenditures were under budget by \$5,901,106. This was primarily due to engineering expenditures only for the McMurray Project in the Como Lake BMPs Fund and limited Watershed-Wide BMPs Projects.

Management’s Discussion and Analysis

**Capital Asset and Debt Administration**

**Capital assets.** The District’s capital assets as of December 31, 2025 amounted to \$23,559,445, net of accumulated depreciation. This investment in capital assets is in equipment, buildings, and infrastructure. Accumulated depreciation was \$11,159,405 with current depreciation charges of \$1,169,878.

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

	December 31	
	2025	2024
Equipment	\$103,995	\$132,388
Buildings	11,273,648	11,914,911
Infrastructure	11,836,897	12,337,119
Construction in progress	344,905	130,566
<b>Total</b>	<b><u>\$23,559,445</u></b>	<b><u>\$24,514,984</u></b>

**Debt administration.** The District reported \$9,132,845 of long-term liabilities as of December 31, 2025:

**Capitol Region Watershed District’s Long-Term Liabilities**

	Compensated Absences	Bonds Payable	Net Pension Liability
December 31, 2025	\$128,413	\$8,312,707	\$691,725
December 31, 2024	129,942	9,048,943	812,542
Increase (decrease)	<u>(\$1,529)</u>	<u>(\$736,236)</u>	<u>(\$120,817)</u>

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. During 2021, the District issued \$1,880,000 in General Obligation Refunding Bonds to refund the balance of the 2013A bonds, which were issued for watershed improvement projects.

## Management's Discussion and Analysis

### **2025 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 as outlined in the District's Financial Policies and Procedures adopted by the Board in December 2023. The District has two types of Operations fund balance: 1) unencumbered Operations fund balance and 2) restricted, committed or assigned Operations fund balance. The unencumbered Operations fund balance minimum is set at 50% of the Operations budget. The District has two types of Capital Improvement Project fund balance: 1) unencumbered CIP fund balance and 2) restricted, committed or assigned CIP fund balance. The unencumbered CIP fund balance is further broken down into two reserve funds: 1) emergency CIP reserve fund and 2) contingency CIP reserve fund balance. By January 1, 2027, the District shall meet a minimum emergency CIP reserve fund of \$3,000,000 and a minimum contingency CIP reserve fund of \$3,000,000. The year-end total CIP fund balance (emergency plus unencumbered) is \$12,590,075, which exceeds the total CIP minimum fund balance goal. The year-end available Operations fund balance of \$6,849,551 is 60% of budgeted expenditures, which is in excess of the District's 50% fund balance policy requirement.

2025 ended with the District spending approximately 50% of its overall budget. The difference is mainly due to planned projects coming in under budget or delayed until 2026 or later.

**Requests for information.** This financial report is designed to provide a general overview of Capitol Region Watershed District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Capitol Region Watershed District, 595 Aldine Street, St. Paul, MN, 55104, 651-644-8888.

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## **BASIC FINANCIAL STATEMENTS**

**CAPITOL REGION WATERSHED DISTRICT**  
**STATEMENT OF NET POSITION**  
December 31, 2025

**Statement 1**

	<u>Governmental Activities</u>
<b>Assets:</b>	
Cash and investments	\$23,132,364
Accrued interest receivable	75,663
Accounts receivable	72,529
Due from other governments	24,611
Property taxes receivable:	
Due from county	34,781
Delinquent	198,233
Prepaid items	20,149
Capital assets - net of accumulated depreciation	23,559,445
Total assets	<u>47,117,775</u>
Deferred outflows of resources related to pensions	<u>214,983</u>
Total assets and deferred outflows of resources	<u><u>\$47,332,758</u></u>
<b>Liabilities:</b>	
Accounts payable	\$633,482
Due to other governments	795,000
Salaries payable	77,737
Deposits payable	1,170,370
Accrued interest payable	99,302
Unearned revenue	209,457
Bonds payable:	
Due within one year	725,000
Due in more than one year	7,587,707
Compensated absences payable:	
Due within one year	128,413
Net pension liability:	
Due in more than one year	691,725
Total liabilities	<u>12,118,193</u>
Deferred inflows of resources related to pensions	<u>477,453</u>
<b>Net position:</b>	
Net investment in capital assets	16,438,043
Restricted	954,473
Unrestricted	17,344,596
Total net position	<u>34,737,112</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$47,332,758</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, 2025

**Statement 2**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges For Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
Governmental activities:					
General government	\$1,609,324	\$239,430	\$ -	\$ -	(\$1,369,894)
Conservation of natural resources	6,394,685	-	233,837	182,506	(5,978,342)
Interest and fees on long-term debt	203,839	-	-	-	(203,839)
Total governmental activities	<u>\$8,207,848</u>	<u>\$239,430</u>	<u>\$233,837</u>	<u>\$182,506</u>	<u>(7,552,075)</u>
General revenues:					
Property taxes					10,220,736
Unrestricted investment earnings					762,670
Miscellaneous					137,406
Total general revenues					<u>11,120,812</u>
Change in net position					3,568,737
Net position - January 1					<u>31,168,375</u>
Net position - December 31					<u>\$34,737,112</u>

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

**CAPITOL REGION WATERSHED DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2025

**Statement 3**

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$8,430,763	\$13,673,548	\$1,028,053	\$23,132,364
Accrued interest receivable	27,995	44,641	3,027	75,663
Accounts receivable	72,529	-	-	72,529
Due from other governments	-	24,611	-	24,611
Property taxes receivable:				
Due from county	18,538	12,898	3,345	34,781
Delinquent	105,487	73,396	19,350	198,233
Prepaid items	20,149	-	-	20,149
<b>Total assets</b>	<b>\$8,675,461</b>	<b>\$13,829,094</b>	<b>\$1,053,775</b>	<b>\$23,558,330</b>
<b>Liabilities:</b>				
Accounts payable	\$472,316	\$161,166	\$ -	\$633,482
Due to other governments	-	795,000	-	795,000
Salaries payable	77,737	-	-	77,737
Deposits payable	1,170,370	-	-	1,170,370
Unearned revenue	-	209,457	-	209,457
<b>Total liabilities</b>	<b>1,720,423</b>	<b>1,165,623</b>	<b>-</b>	<b>2,886,046</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	105,487	73,396	19,350	198,233
<b>Fund balance:</b>				
Nonspendable - prepaid items	20,149	-	-	20,149
Restricted for debt service	-	-	1,034,425	1,034,425
Assigned for capital improvements	-	12,590,075	-	12,590,075
Unassigned	6,829,402	-	-	6,829,402
<b>Total fund balance</b>	<b>6,849,551</b>	<b>12,590,075</b>	<b>1,034,425</b>	<b>20,474,051</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$8,675,461</b>	<b>\$13,829,094</b>	<b>\$1,053,775</b>	<b>\$23,558,330</b>
Fund balance reported above				\$20,474,051
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.				23,559,445
Deferred outflows of resources related to pensions are not current financial resources and, therefore, are not reported in the funds.				214,983
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.				(477,453)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:				
Accrued interest payable				(99,302)
Bonds payable				(8,312,707)
Compensated absences payable				(128,413)
Net pension liability				(691,725)
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.				198,233
<b>Net position of governmental activities</b>				<b>\$34,737,112</b>

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

**CAPITOL REGION WATERSHED DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For The Year Ended December 31, 2025

**Statement 4**

	Operations	Capital Improvement	Debt Service	Total Governmental Funds
<b>Revenues:</b>				
General property taxes	\$5,422,850	\$3,773,141	\$976,740	\$10,172,731
Intergovernmental	44,626	374,276	-	418,902
Stormwater impact fees	196,250	-	-	196,250
Interest income	244,499	515,144	3,027	762,670
Permit fees	43,180	-	-	43,180
Miscellaneous	137,406	-	-	137,406
Total revenues	<u>6,088,811</u>	<u>4,662,561</u>	<u>979,767</u>	<u>11,731,139</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Salaries and benefits	2,738,396	-	-	2,738,396
Contracted personnel	723,373	-	-	723,373
Professional services	861,527	-	-	861,527
Construction maintenance and materials	170,958	-	-	170,958
Program cost share/grant expenses	394,805	-	-	394,805
Other services and charges	519,206	-	3,200	522,406
Capital outlay	-	1,802,960	-	1,802,960
<b>Debt service:</b>				
Principal	-	-	700,000	700,000
Interest	-	-	248,825	248,825
Total expenditures	<u>5,408,265</u>	<u>1,802,960</u>	<u>952,025</u>	<u>8,163,250</u>
Revenues over (under) expenditures	<u>680,546</u>	<u>2,859,601</u>	<u>27,742</u>	<u>3,567,889</u>
Fund balance - January 1	<u>6,169,005</u>	<u>9,730,474</u>	<u>1,006,683</u>	<u>16,906,162</u>
Fund balance - December 31	<u>\$6,849,551</u>	<u>\$12,590,075</u>	<u>\$1,034,425</u>	<u>\$20,474,051</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, 2025

**Statement 5**

Amounts reported for governmental activities in the Statement of Activities (Statement 2) are different because:

Net changes in fund balances - total governmental funds (Statement 4)	\$3,567,889
<p>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:</p>	
Capital outlay	1,802,960
Capital outlay not capitalized	(1,588,621)
Depreciation expense	(1,169,878)
<p>Accrued interest payable:</p>	
At December 31, 2025	(99,302)
At December 31, 2024	108,052
<p>The issuance of long-term debt (e.g., bonds) 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:</p>	
Principal payment	700,000
Amortization of bond premiums	36,236
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>	
<p>    Unavailable revenue:</p>	
At December 31, 2025	198,233
At December 31, 2024	(150,228)
<p>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:</p>	
<p>    Compensated absences payable:</p>	
At December 31, 2025	(128,413)
At December 31, 2024	129,942
<p>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.</p>	
	<u>161,867</u>
Change in net position of governmental activities (Statement 2)	<u><u>\$3,568,737</u></u>

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

**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 separately from *business-type activities*. 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 Improvement Fund and Debt Service Fund.

Capital Improvement Fund accounts for expenditures related to the preparation and implementation of the watershed management plan. Funding is provided by property taxes, grants, project reimbursements 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 Operations, Capital Improvement and Debt Service Funds. 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 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) Multi-Class Fund, which is governed by 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.

**CAPITOL REGION WATERSHED DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

December 31, 2025

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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 December (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 is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid is 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 Improvement 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.

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 bank deposits at December 31, 2025; all cash was held in investments.

**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.

The District’s external investment pool is with the 4M Multi-Class Fund which is regulated by Minnesota Statutes and the Board of Directors of the League of Minnesota Cities. 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 its investments in accordance with Government Accounting Standards Board Statement No. 79, at amortized cost.

The 4M Liquid Asset Class, which is part of the 4M Multi-Class Fund, has no redemption requirements.

As of December 31, 2025, the District had the following investments and maturities:

Investment Type	Rating	Fair Value	Investment Maturities (in Years)	
			Less Than 1	1-5
External investment pool - 4M Multi-Class Fund	AAAm	\$19,290,717	\$19,290,717	\$ -
Brokered certificates of deposit	Not rated	1,862,600	1,167,300	695,300
Depository Trust Company investments	Not rated	1,979,047	741,880	1,237,167
Total		<u>\$23,132,364</u>	<u>\$21,199,897</u>	<u>\$1,932,467</u>
		Total investments		\$23,132,364
		Deposits		-
		Total cash and investments		<u>\$23,132,364</u>

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles except for the external investment pools qualifying under GASB Statement No. 79 which are reported at amortized cost. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy has three levels. Level 1 investments are valued using inputs that are based on quoted prices in active markets for identical assets. Level 2 investments are valued using inputs that are based on quoted prices for similar assets or inputs that are observable, either directly or indirectly. Level 3 investments are valued using inputs that are unobservable.

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025

The District has the following recurring fair value measurements as of December 31, 2025:

Investment Type	12/31/2025	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Brokered certificates of deposit	\$1,862,600	\$ -	\$1,862,600	\$ -
Depository Trust Company investments	1,979,047	-	1,979,047	-
Subtotal	3,841,647	\$ -	\$3,841,647	\$ -
Investments not categorized:				
External investment pool - 4M Multi-Class Fund	19,290,717			
	<u>\$23,132,364</u>			

**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 a formally adopted investment policy that 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.

**Note 3 RISK MANAGEMENT**

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

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

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

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

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025

**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:

	<u>Property Taxes</u>
Operations	\$105,487
Capital Improvement	73,396
Debt Service	<u>19,350</u>
Total unavailable revenue	<u><u>\$198,233</u></u>

**Note 5 CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets not depreciated:				
Construction in progress	<u>\$130,566</u>	<u>\$214,339</u>	<u>\$ -</u>	<u>\$344,905</u>
Capital assets being depreciated:				
Equipment	289,018	-	-	289,018
Buildings	14,226,437	-	-	14,226,437
Infrastructure	19,858,490	-	-	19,858,490
Total capital assets being depreciated	<u>34,373,945</u>	<u>-</u>	<u>-</u>	<u>34,373,945</u>
Less accumulated depreciation for:				
Equipment	156,630	28,393	-	185,023
Buildings	2,478,575	474,214	-	2,952,789
Infrastructure	7,354,322	667,271	-	8,021,593
Total accumulated depreciation	<u>9,989,527</u>	<u>1,169,878</u>	<u>-</u>	<u>11,159,405</u>
Total capital assets depreciated, net	<u>24,384,418</u>	<u>(1,169,878)</u>	<u>-</u>	<u>23,214,540</u>
Total capital assets, net	<u><u>\$24,514,984</u></u>	<u><u>(\$955,539)</u></u>	<u><u>\$0</u></u>	<u><u>\$23,559,445</u></u>

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025

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

Governmental activities:	
General government	\$28,393
Conservation of natural resources	<u>1,141,485</u>
Total	<u><u>\$1,169,878</u></u>

**Note 6 LONG-TERM DEBT**

During 2018, the District issued 2018A tax-supported General Obligation Bonds to finance the acquisition, remediation, site improvements and construction of the District’s new facility. During 2021, the District issued 2021A tax-supported General Obligation Refunding Bonds to refund the 2013A bonds, which were originally issued to finance watershed improvement projects.

GOVERNMENTAL ACTIVITIES

As of December 31, 2025, long-term bonded debt consisted of the following:

	Interest Rates	Issue Date	Final Maturity Date	Original Issue	Payable 12/31/2025
Tax Supported Bonds:					
\$9,690,000 Series 2018A	3.00%	2/15/2018	2/1/2038	\$9,690,000	\$6,935,000
\$1,880,000 Series 2021A	1.00-3.00%	11/4/2021	2/1/2030	1,880,000	1,090,000
Unamortized bond premium				<u>530,133</u>	<u>287,707</u>
Total indebtedness				<u><u>\$12,100,133</u></u>	<u><u>\$8,312,707</u></u>

As of December 31, 2025, annual debt service requirements to maturity are as follows:

	Revenue (Tax Supported) Bonds			
	Series 2018A		Series 2021A	
	Principal	Interest	Principal	Interest
2026	\$440,000	\$203,650	\$285,000	\$21,600
2027	460,000	187,950	290,000	12,975
2028	470,000	174,000	165,000	6,150
2029	485,000	159,675	175,000	2,800
2030	500,000	144,900	175,000	963
2031-2035	2,735,000	486,825	-	-
2036-2039	<u>1,845,000</u>	<u>84,225</u>	<u>-</u>	<u>-</u>
Totals	<u><u>\$6,935,000</u></u>	<u><u>\$1,441,225</u></u>	<u><u>\$1,090,000</u></u>	<u><u>\$44,488</u></u>

**CAPITOL REGION WATERSHED DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2025

Long-term liability activity for the year ended December 31, 2025 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
2018A general obligation bonds	\$7,360,000	\$ -	(\$425,000)	\$6,935,000	\$440,000
2021A general obligation refunding bonds	<u>1,365,000</u>	<u>-</u>	<u>(275,000)</u>	<u>1,090,000</u>	<u>285,000</u>
Total bonds payable	8,725,000	0	(700,000)	8,025,000	725,000
Unamortized bond premium	<u>323,943</u>	<u>-</u>	<u>(36,236)</u>	<u>287,707</u>	<u>-</u>
Total long-term debt	<u><u>\$9,048,943</u></u>	<u><u>\$0</u></u>	<u><u>(\$736,236)</u></u>	<u><u>\$8,312,707</u></u>	<u><u>\$725,000</u></u>

**Note 7 DEFINED BENEFIT PENSION PLAN**

**A. PLAN DESCRIPTION**

The District participates in the General Employees Retirement Plan (General Plan), which is a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees Retirement Association of Minnesota (PERA). Plan provisions are established and administered according to Minnesota Statutes Chapters 353, 353D, 353E, 353G and 356. Minnesota Statutes Chapter 356 defines each plan’s financial reporting requirements. PERA’s defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

**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. When a member is “vested,” they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

The General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989 receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first ten years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of the highest average salary for all years of service. For members hired prior to July 1, 1989, a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at

age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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%. The 2025 annual increase was 1.25%. 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 prorated increase.

**C. CONTRIBUTIONS**

Minnesota Statutes Chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2025 and the District was required to contribute 7.50% for General Plan members. The District’s contributions to the General Employees Fund for the year ended December 31, 2025 were \$147,007. The District’s contributions were equal to the required contributions as set by state statute.

**D. PENSION COSTS**

At December 31, 2025, the District reported a liability of \$691,725 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 \$16,687.

District’s proportionate share of the net pension liability	\$691,725
State of Minnesota’s proportionate share of the net pension liability associated with the District	<u>16,687</u>
Total	<u><u>\$708,412</u></u>

The net pension liability was measured as of June 30, 2025, 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, 2024 through June 30, 2025, relative to the total employer contributions received from all of PERA’s participating employers. The District’s proportionate share was 0.0209% at the end of the measurement period and 0.0220% for the beginning of the period.

For the year ended December 31, 2025, the District recognized pension expense of (\$14,871) for its proportionate share of the General Plan’s pension expense. In addition, the District recognized an additional (\$2,559) 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, 2025

At December 31, 2025, the District reported General Employees Fund deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$65,633	\$ -
Changes in actuarial assumptions	16,663	156,251
Net difference between projected and actual earnings on pension plan investments	-	279,037
Changes in proportion	57,115	42,165
Employer contributions subsequent to the measurement date	<u>75,572</u>	-
Total	<u>\$214,983</u>	<u>\$477,453</u>

The \$75,572 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, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense</u>
2026	(\$55,310)
2027	(124,720)
2028	(108,851)
2029	(49,161)
2030	-
Thereafter	-

The net pension liability will be liquidated by the Operations fund.

**E. ACTUARIAL METHODS AND ASSUMPTIONS**

The total pension liability for the cost-sharing defined benefit plan was determined by an actuarial valuation as of June 30, 2025, using the entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.25% per year
Investment Rate of Return	7.00%

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 considered reasonable by the actuary. An investment return of 7.00% is within that range.

Benefit increases after retirement are assumed to be 1.5% for the General Plan.

Salary growth assumptions in the General Fund range in annual increments from 11.5% after one year of service to 3.0% after 27 years of service.

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

Actuarial assumptions for the General Plan are reviewed every four years. The General Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2025:

Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

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 2025 was 7.00%. 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 GERF was projected to be available to make all projected future benefit payments of current plan members. 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 (6.00%) or one percentage point higher (8.00%) than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Current Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Proportionate share of the General Plan net pension liability	\$1,680,092	\$691,725	(\$110,163)

**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 at [www.mnpera.org](http://www.mnpera.org).

**Note 8 COMPENSATED ABSENCES PAYABLE**

Changes in compensated absences payable during 2025 are as follows:

Beginning balance	\$129,942
Net change	<u>(1,529)</u>
Ending balance	<u>\$128,413</u>
Due within one year	<u>\$128,413</u>

**Note 9 RECENTLY ISSUED ACCOUNTING STANDARDS**

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

**Statement No. 103** *Financial Reporting Model Improvements*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

**Statement No. 104** *Disclosure of Certain Capital Assets*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2025.

**Statement No. 105** *Subsequent Events*. The provisions of this Statement are effective for reporting periods beginning after June 15, 2026.

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CAPITOL REGION WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - OPERATIONS FUND**  
For The Year Ended December 31, 2025

**Schedule 1**

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Tax levy	\$5,605,175	\$5,605,175	\$5,422,850	(\$182,325)
Intergovernmental	180,518	180,518	44,626	(135,892)
Stormwater impact	-	-	196,250	196,250
Interest income	125,000	125,000	244,499	119,499
Permit fees	50,400	50,400	43,180	(7,220)
Miscellaneous	28,800	28,800	137,406	108,606
Total revenues	<u>5,989,893</u>	<u>5,989,893</u>	<u>6,088,811</u>	<u>98,918</u>
Expenditures:				
Administrative	1,158,105	1,158,105	1,743,686	(585,581)
Programs	4,167,230	4,167,230	2,829,559	1,337,671
Projects	2,374,830	2,374,830	835,020	1,539,810
Total expenditures	<u>7,700,165</u>	<u>7,700,165</u>	<u>5,408,265</u>	<u>2,291,900</u>
Revenues over expenditures	<u>(\$1,710,272)</u>	<u>(\$1,710,272)</u>	680,546	<u>\$2,390,818</u>
Fund balance - January 1			<u>6,169,005</u>	
Fund balance - December 31			<u>\$6,849,551</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
2025	2025	0.0209%	\$691,725	\$16,687	\$708,412	\$1,890,281	37.5%	90.8%
2024	2024	0.0220%	812,542	21,011	833,553	1,859,957	44.8%	89.1%
2023	2023	0.0206%	1,151,929	31,653	1,183,582	1,636,086	72.3%	83.1%
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%

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

**CAPITOL REGION WATERSHED DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION CONTRIBUTIONS -**  
**GENERAL EMPLOYEES RETIREMENT PLAN**  
For The Last Ten Years

**Schedule 3**

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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)
2025	\$147,007	\$147,007	-	\$1,960,101	7.5%
2024	141,232	141,232	-	1,883,093	7.5%
2023	131,019	131,019	-	1,746,918	7.5%
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%

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

**Note A LEGAL COMPLIANCE – BUDGETS**

The Operations Fund budget is legally adopted on a basis consistent with accounting principles generally accepted in the United States of America. The legal level of budgetary control is at the fund level. Total fund expenditures did not exceed appropriations in the Operations Fund.

The Board of Managers adopts an annual budget for the Operations Fund of the District. During the budget year, supplemental appropriations and deletions are or may be authorized by the Board. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made.

The District monitors budget performance on the fund basis. All amounts over budget have been approved by the Board through the disbursement approval process.

**Note B PENSION INFORMATION**

**PERA – General Employees Retirement Fund**

2025 Changes in Actuarial Assumptions:

- The combined service annuity loading factors increased from 15% to 19% for vested terminated members and from 3% to 44% for non-vested, terminated members.
- The assumed post-retirement benefit increase changed from 1.25% to 1.50%.

2025 Changes in Plan Provisions:

- The post-retirement benefit increase formula changed to 100% of the Social Security annual increase, between 1.00% and 1.75%, beginning January 1, 2026. If the funded ratio (on a market value of assets basis) is less than 85% for the last two consecutive annual valuations or is less than 80% in the most recent actuarial valuation, the maximum is reduced to 1.50%. Previously, the benefit increase was 50% of the Social Security annual increase, between 1.00% and 1.50%.
- The 1.00% additional employer contribution is eliminated when the plan reaches 98% funded status (on an actuarial value of assets basis); this contribution was previously scheduled to stop when the plan reached 100% funded status.

2024 Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

2024 Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

2023 Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50% to 7.00%.

**CAPITOL REGION WATERSHED DISTRICT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2025

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2023 Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million was contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.50% minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

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 7.50% to 6.50% 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.

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 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.

**CAPITOL REGION WATERSHED DISTRICT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
December 31, 2025

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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 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.
- Annual increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90% funding ratio 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 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 annual 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.

2017 Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16 million in 2017 and 2018 and \$6 million thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21 million to \$31 million in calendar years 2019 to 2031. The State's contribution changed from \$16 million to \$6 million in calendar years 2019 to 2031.

2016 Changes in Actuarial Assumptions:

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

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## **SUPPLEMENTARY INFORMATION**

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**CAPITOL REGION WATERSHED DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - CAPITAL IMPROVEMENT FUND**  
For The Year Ended December 31, 2025

**Schedule 4**

	Budgeted Amounts		2025 Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
General property taxes	\$3,900,000	\$3,900,000	\$3,773,141	(\$126,859)
Intergovernmental	475,000	475,000	374,276	(100,724)
Interest income	250,000	250,000	515,144	265,144
Total revenues	<u>4,625,000</u>	<u>4,625,000</u>	<u>4,662,561</u>	<u>37,561</u>
<b>Expenditures:</b>				
Capital outlay:				
Conservation of natural resources:				
Como Lake BMP	5,723,750	5,723,750	524,997	5,198,753
Trout Brook BMP	313,530	313,530	115	313,415
Crosby Lake BMP	122,170	122,170	177	121,993
Facility Management	100,000	100,000	158,305	(58,305)
Wetland, Stream, and Ecosystem Restoration	111,400	111,400	29,138	82,262
Watershed-wide Capital Improvement Projects	1,333,216	1,333,216	1,090,228	242,988
Total expenditures	<u>7,704,066</u>	<u>7,704,066</u>	<u>1,802,960</u>	<u>5,901,106</u>
Revenues over (under) expenditures	<u>(3,079,066)</u>	<u>(3,079,066)</u>	2,859,601	<u>5,938,667</u>
Fund balance - January 1			<u>9,730,474</u>	
Fund balance - December 31			<u>\$12,590,075</u>	

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## **OTHER REQUIRED REPORTS**

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## 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, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered Capitol Region Watershed District's system of 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.

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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given those limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of the 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, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

April 8, 2026



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## 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, 2025, 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 8, 2026.

In connection with our audit, we noted that Capitol Region Watershed District failed to comply with provisions of the contracting – bid laws section 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 as described in the schedule of findings and responses as item 2025-01. Also, 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 depositories of public funds and public investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, 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.

Capitol Region Watershed District's response to the finding identified in our audit is described in the schedule of findings and responses as item 2025-01. Capitol Region Watershed District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

*Redpath and Company, LLC*

REDPATH AND COMPANY, LLC  
St. Paul, Minnesota

April 8, 2026



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**CAPITOL REGION WATERSHED DISTRICT**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
For The Year Ended December 31, 2025

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**2025-01 Withholding Affidavit Not Obtained Prior to Final Payment**

*Criteria:* Minn. Stat. § 270C.66 requires political subdivisions, before making final settlement with a contractor under a contract requiring the employment of employees for wages, to obtain a certificate from the Commissioner of Revenue indicating the contractor has complied with Minnesota withholding tax requirements under Minn. Stat. § 290.92. Acceptable documentation includes Form IC134 or a Contractor's Withholding Affidavit/Certificate.

*Condition:* The District made final payment to a contractor for the 2025 Curb-Cut Raingardens project without obtaining the required withholding affidavit or certificate from the Commissioner of Revenue, as required by Minnesota Statutes.

*Cause:* District staff were not aware of, or did not consistently apply, the statutory requirement to obtain a withholding affidavit or certificate prior to final payment to contractors. In addition, the District does not currently have a formalized project close-out or payment checklist that includes verification of withholding affidavit compliance.

*Effect:* The District was not in compliance with Minnesota Statutes related to contractor withholding requirements. While no penalties or enforcement actions were identified during the audit period, failure to obtain the required documentation exposes the District to potential compliance risk.

*Recommendation:* We recommend the District implement procedures to ensure that a valid withholding affidavit or certificate is obtained from applicable contractors prior to making final payment. This may include incorporating withholding affidavit verification into the District's contract administration or payment approval process.

*Views of Responsible Officials and Corrective Action Plan:* District staff acknowledge the requirement and will update internal procedures to ensure withholding affidavits or certificates are obtained and retained prior to final payment on applicable contracts going forward.

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