



2008 ANNUAL REPORT

District Information

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Regular Board Meetings

Held at the City of Prior Lake City Hall the second Tuesday of each month at 6:30 p.m.

Official Newspaper

Prior Lake American

The biennial solicitation for engineering, ecological, legal, easement/land acquisition, accounting and audit services for 2008 and 2009 was published for two consecutive weeks in October 2007 with a closing date for Letters of Interest on November 2, 2007. Submittals were reviewed at the January and March 2008 monthly meetings with professional services selected for the years 2008 through 2009 awarded at the March 2008 monthly meeting.

Cover Photo: Rainbow over Wagon Bridge, Upper Prior Lake, September 17, 2008.

TABLE OF CONTENTS

| | |
|---|----|
| Section 1: Introduction and Background | |
| Introduction | 1 |
| Background | 1 |
| Section 2: Annual Activities | |
| Summary of 2008 Work Plan & Grants | 3 |
| Local Government Coordination/Planning | 6 |
| Permits and Project Reviews | 7 |
| Prior Lake Outlet Operations | 9 |
| Data Collection/Monitoring | 12 |
| Public Education and Information | 20 |
| Programs/Projects | 22 |
| Water Quality Improvement and Runoff Management | 22 |
| Land Management Program | 22 |
| Outlet and Channel Improvement Project | 24 |
| Year 2009 Work Plan | 25 |
| Section 3: Financial Administration | |
| Expenditures Under Budget | 27 |
| Expenditures Over Budget | 27 |
| 2009 Certified Levy | 28 |

SECTION 1: INTRODUCTION AND BACKGROUND

INTRODUCTION

This report summarizes the activities of the Prior Lake-Spring Lake Watershed District and the financial status of the District for the year ending 2008. The report is organized into three sections:

Section 1: Introduction and Background: Provides background information on the District.

Section 2: Annual Activities: Summarizes the District's programs and activities completed in 2008 and presents a work plan for 2009.

Section 3: Financial Administration: Summarizes fund balances, budgets and levy for the fiscal year ending December 31, 2008.

BACKGROUND

The Prior Lake-Spring Lake Watershed District (PLSLWD or District) was established by order of the Minnesota Water Resources Board on March 4, 1970, for the purpose of managing and preserving the water resources of the District. It was established in response to a nominating petition filed with the Minnesota Water Resources Board by resident freeholds within the watershed on June 24, 1969.

The District encompasses approximately 42 square miles in Scott County including portions of the cities of Prior Lake, Shakopee, and Savage; Sand Creek Township; and Spring Lake Township (see Figure 1-1). Water in the District flows in a general northerly direction. The Spring Lake subwatershed drains through Buck Lake and County Ditch 13 into Spring Lake and then drains into Upper and Lower Prior Lakes. Water is then carried north and out of the District to the Minnesota River via the Prior Lake Outlet Channel. The highest ground in the watershed is 1,100 feet above sea level and is found along the eastern boundary of the watershed in Section 23 of Spring Lake Township. The lowest ground in the watershed that is tributary to Prior Lake is the shoreline of Lower Prior Lake. The water level of Prior Lake varies in the range of 900 to 904 feet above sea level but can go to further extremes depending on weather. Prior Lake was essentially a landlocked basin until an artificial outlet structure and channel were constructed in 1983.

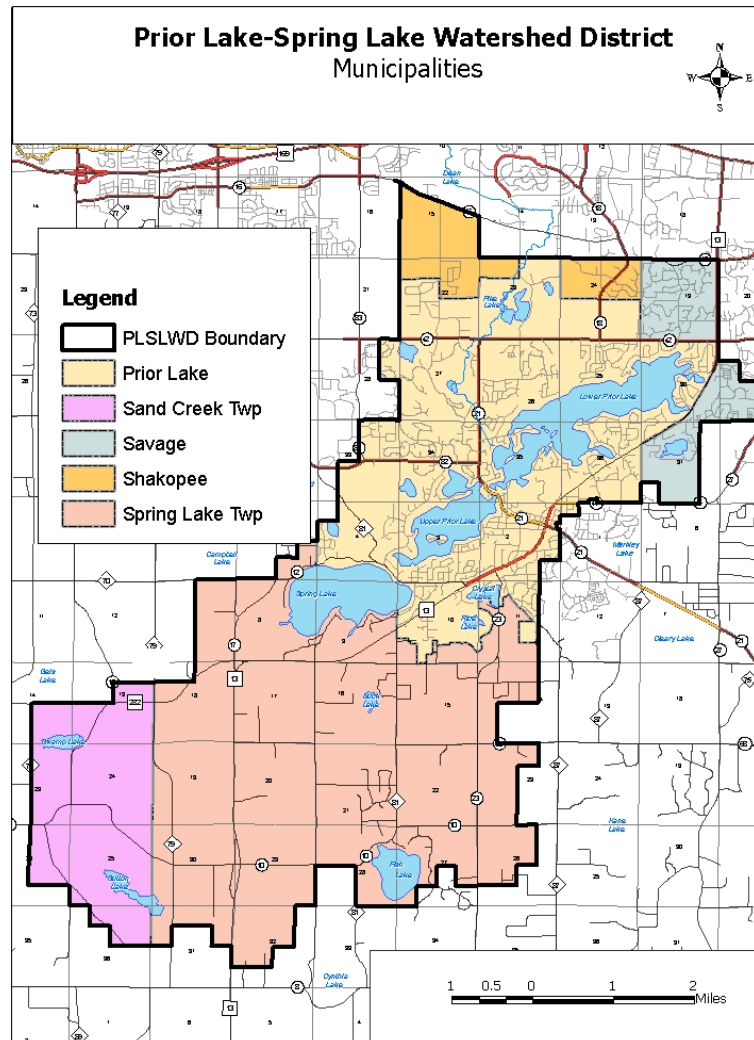
The Board of Managers of the District is a five-member administrative board appointed for three-year terms by the Commissioners of Scott County. The Board has authority to issue permits for development that affect the quantity, quality, and runoff rate of stormwater within the District and authority to undertake projects to protect and improve the water resources of the District. To fund its activities, the Board levies annual *ad valorem* taxes on citizens who own property within the District. The District has also obtained funding through grants from federal and state agencies to fund various special projects.

On June 3, 2008, the Prior Lake-Spring Lake Board of Managers determined to maintain the following Mission Statement:

Our mission is to: Manage and preserve the water resources of the Prior Lake-Spring Lake Watershed District to the best of our ability using input from our communities, sound engineering practices, and our ability to efficiently fund beneficial projects which transcend political jurisdictions.

The Minnesota Board of Water and Soil Resources (BWSR) approved the District's second Water Resources Management Plan in January 1999. The Plan was published in April 1999. The year 2008 represents the tenth year of implementation under this Plan as amended. Work on the third generation Water Resources Management Plan began in 2008 and will be completed in 2009. Section 2 provides a summary of implementation activities completed in 2008, as well as a work plan for 2009.

Figure 1-1. PLSLWD Municipalities



SECTION 2: ANNUAL ACTIVITIES

SUMMARY OF 2008 WORK PLAN & GRANTS

The basic activities of the PLSLWD fall into the following three major program areas:

- Water Quality Improvement and Runoff Management
- Land Management
- Outlet System Management

The District's financial administration is summarized in Section 3. Summaries of the other categories are provided in this section which closes with a brief work plan of anticipated activities for 2009. A summary of the 2008 work plan and activities is provided in Table 2-1.

The PLSLWD applies for and makes use of grant programs to leverage the financial resources of the District and its taxpayers. In 2008 the District had the following active grants:

- Aquatic Plant Management, Minnesota Department of Natural Resources: The District received a \$22,000 grant in 2006 for use for Jeffers Ponds Shoreland Habitat Restoration and Enhancement, which provided for the establishment of a native shoreland buffer and the installation of interpretive signs. This grant expired June 30, 2008.
- Clean Water Act, Section 104b 3, Environmental Protection Agency: The District received a \$45,000 grant to complete nutrient Total Maximum Daily Load (TMDL) studies for Spring and Upper Prior Lakes. The initial grant was received in November 2006 and assistance was extended through December 31, 2009.
- Clean Water Legacy, Minnesota Board of Water and Soil Resources: The District received \$138,000 for reconstruction and enhancement of the Outlet Channel Segment 5c. This grant went into effect January 1, 2007 and expires June 30, 2009.
- Clean Water Legacy, Minnesota Board of Water and Soil Resources: The District received \$75,000 for reconstruction and enhancement of the Outlet Channel Segment 4b. This grant went into effect February 1, 2008 and expires June 30, 2010.

Table 2-1. FY 2008 Work Plan Review

| Project | Description | Status |
|--|--|--|
| Water Quality Improvement and Runoff Management | | |
| Coordinate with County Road Improvements | Coordinate with County Highway Dept. to identify restorable wetland and storage opportunities in conjunction with road projects. | Continuing discussions regarding County Road/County State-Aid Highway 42, 21, 12 and 82 road improvements. Approved permit for CSAH 21 Extension in November. |
| Water Quality and Project Communications | Expand advisory committee efforts, coordinate with media, provide watershed education and promote District projects. | Attended meetings, provided updates to the Lake Advisory Committee and the Prior Lake City Council. Submitted press releases and project ideas to <i>Prior Lake American</i> . Attended community events (Lakefront Days, Fall Community Fest). Hosted four shoreland restoration and rain garden workshops. |
| Planning | Initiate District planning efforts (plan updates, etc.) and participate in the planning processes of other local governmental units. | Commented on the Scott County Water Resources Plan Amendment. Initiated District Water Resources Management Plan revision. Held TAC and citizen meeting to obtain plan input. |
| Flow Data Collection | Collect annual precipitation, lake level, and flow data to calibrate District Model. | Recorded Prior Lake water levels. Volunteers recorded weekly levels of Spring Lake and precipitation throughout the District. Limited flow monitoring of some inflows to Spring Lake. See sub-section on monitoring for more details. |
| Water Quality Monitoring | Collection and analysis of water quality data. | Sampling completed by District (inflows) and volunteers (5 lakes, through Citizen Assisted Monitoring Program). In-depth monitoring of Spring, Fish and Upper Prior Lakes completed under contract. See sub-section on monitoring. |
| Lake Management Planning | Continue implementing Prior, Spring and Fish Lake management planning efforts. | Continued implementation of lake management plans for Prior, Spring and Fish Lakes. |
| Operation of FeCl₃ System | Meter ferric chloride into storm water in County Ditch 13 to reduce phosphorus discharge to Spring and Prior Lakes, thereby reducing algae blooms. | Started FeCl ₃ system operation in the spring. Monitored the system effectiveness and permit compliance during dosing operations, and reported results to the Minnesota Pollution Control Agency. Applied for NPDES permit renewal with the MPCA for 2009. |
| Spring Lake Sediment Phosphorus Inactivation | Complete sediment phosphorus inactivation by applying alum to Spring Lake. | Project postponed indefinitely because of higher cost than expected and because of need to resolve uncertainties due to carp and Curlyleaf pondweed, and to allow time to further reduce watershed inputs. |
| Aquatic Plant and Carp Management | Ongoing efforts to control carp and Curlyleaf pondweed infestations in Spring and Fish Lakes. | Completed 7th year of Spring Lake, and 4th year of Fish Lake Curlyleaf control. Upper Prior was also monitored this year, though no treatment was done. Aquatic plant surveys were completed in early spring and late summer. Off shore water for Spring Lake was not treated because of previous years' treatment success. Approx. 15.5 acres were treated in Fish Lake. No carp control was implemented in 2008. |

| Project | Description | Status |
|--|--|--|
| Innovative Water Management | Reducing runoff volumes, improving water quality and encouraging innovative approaches through technical and financial assistance. | Held four shoreland restoration and rain garden workshops. Completed 12 site visits and project designs (via Scott SWCD/MASWCD partnership) and provided cost-share grants for 3 projects. Work will continue into 2009. Held a two week rain barrel sale, with 48 barrels sold. |
| Land Management | | |
| Volume Reduction Easement Acquisitions | Implement program to acquire land for runoff volume reduction. | No new acres were enrolled with filter strips. Continued to contact landowners regarding wetland restorations and agricultural BMPs. The PLSLWD Board approved rate increases for joint incentive program with Scott SWCD for 2009 docket. |
| Drained Wetland Restoration | Continuing wetland restoration. | Discussed joint restoration opportunities with cities and county. Discussion will continue in 2009 as a part of Spring and Upper Prior Lake TMDL implementation. |
| Outlet System Management | | |
| Outlet Channel Repair and Maintenance | Complete repairs to the Outlet Channel as needed. | Plans for reconstruction of the outlet structure and the road/cart path are continuing. The District continued to work with landowners to obtain necessary easements for project completion. Work is anticipated to take place in 2009 |
| Prior Lake Outlet and Channel Improvement Project | Complete planning, preliminary engineering and cost estimates for existing and future outlet and channel needs. | Segment 1 restoration was completed. Design work was re-contracted to Inter-fluve for Segments 2, 3, 4a, 4b, 7 and 8. Design was completed for Segment 8 work and construction was completed early 2009. |
| Outlet Operating Plan and JPA | Continue to work with partners to implement Outlet JPA/MOA. | Met with representatives from the Cities of Prior Lake and Shakopee and the Shakopee Mdewakanton Sioux Community for the first annual meeting of the Joint Powers Agreement and Memorandum of Agreement. Held three additional JPA/MOA technical meetings to discuss project design options. |

LOCAL GOVERNMENTAL COORDINATION/PLANNING

Review of Local Governmental Unit (LGU) water management plans has focused on consistency with the District's Water Resources Management Plan. These reviews were completed prior to 1999 and publication of the District's current Water Resources Management Plan, which was approved in January 1999 and has since been amended several times.

With approval of the District's plan, local units of government having land use planning and regulatory responsibility are required by statute to prepare local water management plans. The content of local plans is driven primarily by M.R. 8410 and must include a capital improvement program and an implementation plan to bring the local water management plan into conformance with the District's plan. Submission of local water management plans to the District was to occur within two years of approval of the District's plan by the Board of Water and Soil Resources (i.e., by January 2001). In 2005 the District had discussions regarding local management planning with the LGUs within the District and several expressed their intent to revise their local controls to achieve equivalency with the District's rules and permitting requirements. Draft proposals for their Local Surface Water Management Plan were received from the City of Prior Lake and Scott County and reviewed and adopted by PLSLWD in 2006 and likewise for City of Savage and City of Shakopee in 2007.

City of Prior Lake

Prior Lake's Local Surface Water Resources Management Plan was approved under the District's prior plan in November 1996. In 2006 the City revised its Comprehensive Plan to incorporate the Local Surface Water Management Plan and the PLSLWD provided comments as part of the revision process. The City adopted all but the wetland buffer portions of the plan on June 26, 2006. The PLSLWD adopted a resolution of conditional approval of the city's local surface water management plan in August 2006. A MOA stating equivalency was signed with the City in February 2007.

City of Savage

Savage's Comprehensive Water Resource Management Plan was approved under the District's previous plan in September of 1996, with the understanding that a detailed account of future water quality provisions within subwatershed PL-10 and PL-11 and Section 19 outlet reduction in PL-1 will be reviewed at the time improvements are contemplated. In 2006, the City updated the City of Savage Local Water Management Plan. After review and providing comments, the District approved this plan in April 2007. In November 2007, the MOA between the PLSLWD and the City of Savage was approved by the District.

City of Shakopee

Shakopee's Local Plan was approved under the District's prior plan on October 13, 1998. On June 12, 2007, the PLSLWD approved the City of Shakopee's revision of their Local Surface Water Management Plan and the PLSLWD provided comments as part of the revision process. The District received the City's nondegradation

report in October 2007. An equivalency MOA is pending and should be completed in 2009.

Sand Creek Township, Spring Lake Township

No known plans have been drafted specific to either township; rather, the townships rely on the Scott County plan and rules. A Water Resources Management Plan has been completed for the Scott Watershed Management Organization (WMO), which includes a large portion of Sand Creek Township and part of Spring Lake Township. In 2005 the Scott WMO adopted rules; the PLSLWD was active in that process. In 2006 Scott County started revisions of its plans and rules/ordinances to achieve consistency with the Scott WMO and PLSLWD plans and rules. PLSLWD reviewed and in September 2006 approved Scott County's Surface Water Management Plan. Scott County continued work on its 2030 Comprehensive plan and in February 2007 PLSLWD reviewed and approved the Scott County Water Resources Plan. PLSLWD supported Scott County in incorporating the proposed extra density concept in the County's 2030 Comprehensive Plan (Sept. meeting). Scott County equivalency efforts were completed and the MOA was signed in January 2008.

In addition to participating in the planning processes of other local units of government, in 2008 the PLSLWD initiated a comprehensive update to its Water Resources Management Plan. The PLSLWD solicited input from local governments, state agencies and the public at the beginning of the process via letters, emails, an open house, a website notice and a notice in the *Prior Lake American* newspaper. The District will continue to solicit and respond to comment provided through the completion and approval of the updated Water Resources Management Plan by BWSR in accordance with Minnesota Statutes Section 103B.231.

The PLSLWD also spent considerable time and resources coordinating with the local governments along the Prior Lake Outlet Channel as implementation of the Outlet Channel JPA/MOA moved forward. In 2007, all comments on the JPA/MOA had been received, the final draft continued to be worked on and by November 1, 2007, all parties had signed the MOA and the agreements. The initial JPA meeting was held on December 11, 2007 at the Shakopee Mdewakanton Sioux Community. The first Technical Meeting was held in February 2008 and the first Annual Meeting was held in March 14, 2008. Two additional technical meetings were held on July 31 and October 7, 2008 to discuss revisions to the Outlet Channel Restoration and Enhancement Project plans.

PERMITS AND PROJECT REVIEWS

The District has regulatory authority and a permit program that requires property owners to obtain District approval for the following activities if they exceed the District's area thresholds:

- Land Development Plans (land subdivision)
- Final Site Drainage Plans
- Bridge and/or Culvert Crossings of the Prior Lake Outlet Channel

➤ Public and Private Drainage Systems

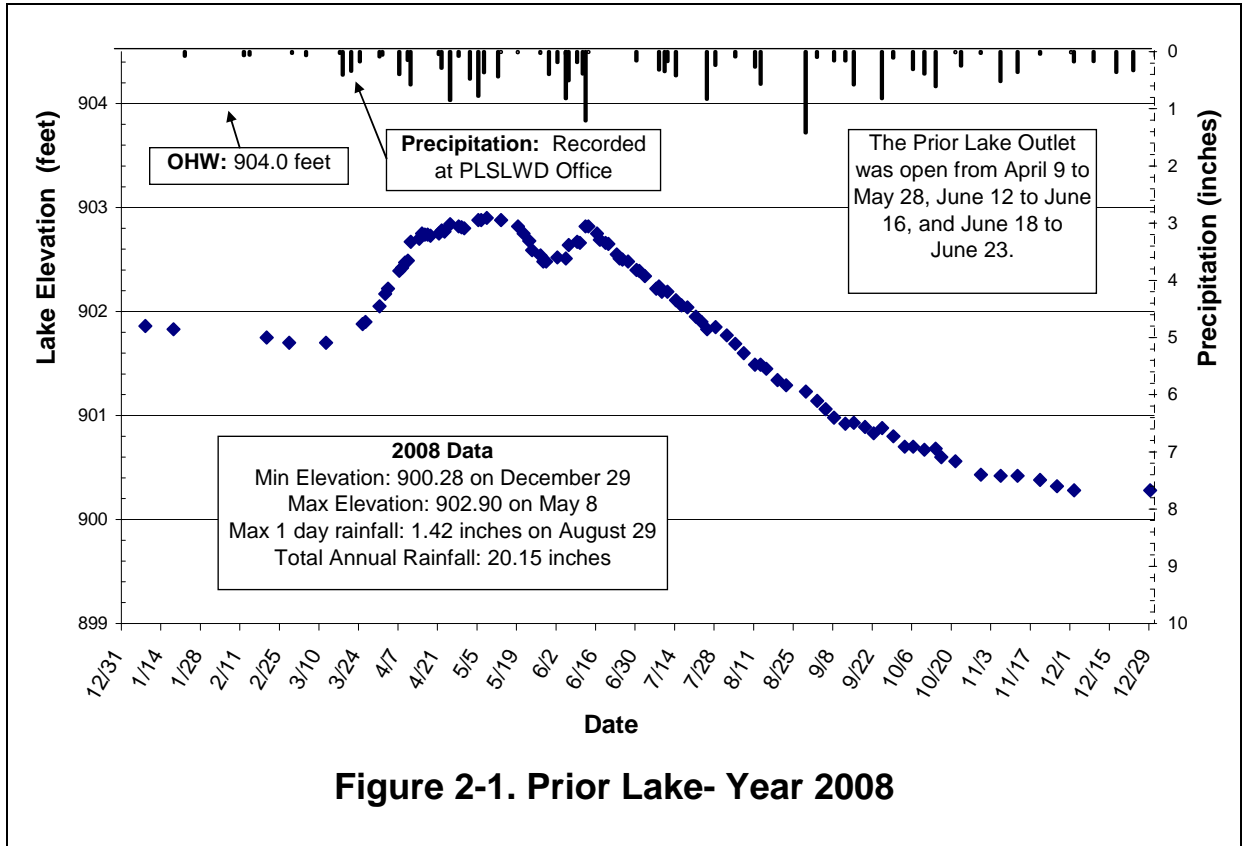
In addition, projects sponsored by governmental units taking place within the District must be reviewed by the District. Preliminary plans are to be submitted for governmental projects in the above categories, as well as road, trail, or utility construction and reconstruction. Table 2-2 lists projects reviewed in 2008 and the action taken on those permit applications.

Table 2-2. Permit Activities, 2008

| Application Number | Project Title | Permit Applicant | Initial Application Rec'd | Board Decision | Permit Issued |
|---------------------------|-------------------------------------|---------------------------------|----------------------------------|-----------------------|----------------------|
| 2007.09 | Ridge Creek Outlet Channel Crossing | R.C.I. Incorporated | 9/14/07 | 3/11/08 | Denied |
| 2008.01 | CSAH 21 Extension | Scott County Highway Department | 9/24/08 | 11/3/08 | 12/29/08 |
| NA | YMCA Easement Encroachment | YMCA | 7/30/08 | 9/10/08 | NA |

PRIOR LAKE OUTLET OPERATIONS

In 2008, District Staff monitored the lake level of Prior Lake from ice-out to winter freeze. The level of Spring Lake was monitored by a citizen volunteer over the same time period. Figures 2-1 and 2-2 present lake level data for Prior and Spring Lakes, respectively.



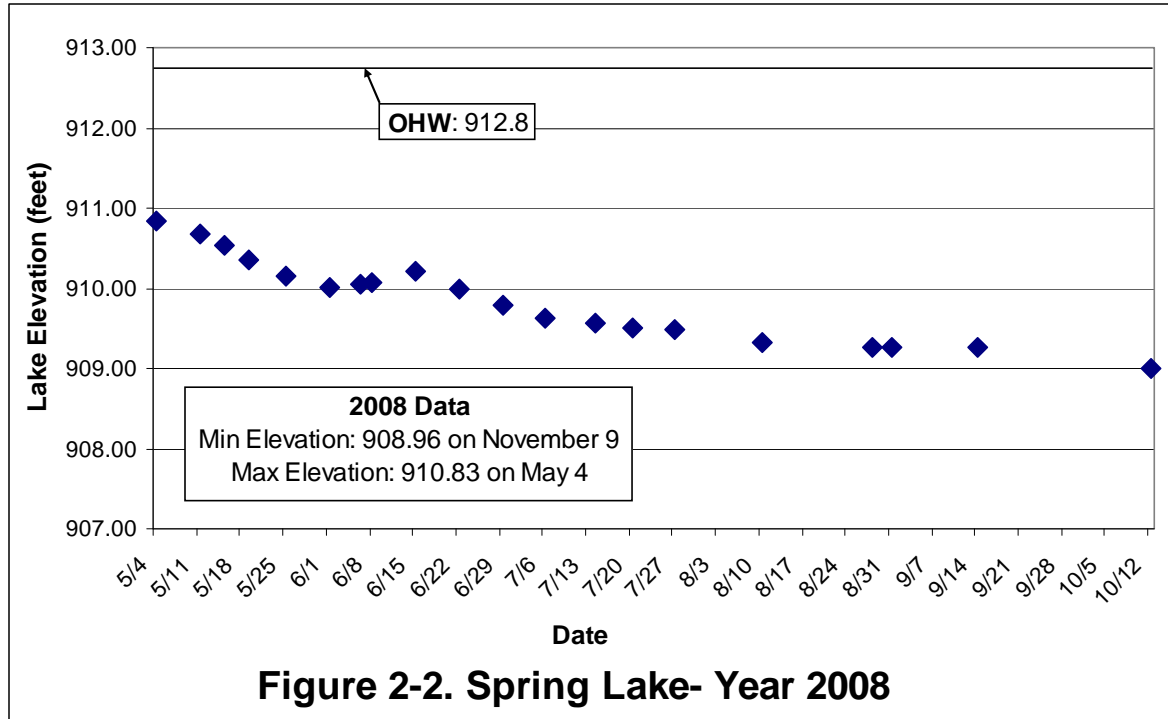


Figure 2-2. Spring Lake- Year 2008

Upstream impoundment monitoring was also conducted when inlets to Spring Lake were flowing. Several upstream staff gauges were monitored and flow monitoring consisted of automated monitoring in County Ditch 13 just downstream of the Highway 13 Wetland near the inlet to Spring Lake.

District staff completed inspections of the Prior Lake Outlet Channel before the outlet was opened; the outlet channel was found to be in acceptable condition for the discharge of water. On March 26 and April 9, 2008, written and email notices of likely outlet opening were made to the City of Prior Lake, the City of Shakopee, the Shakopee Mdewakanton Sioux Community and the Minnesota DNR. The outlet was partially opened on April 9, 2008, when 1 lower panel was removed. The level of Prior Lake was 902.47 feet (mean sea level) and rising with spring snow melt and rainfall. Water was discharged through the outlet structure at various intervals between the dates of April 8 and June 23, 2008. Based on the measurements made at the outlet channel and the known stage-discharge relationship, an estimated total volume of 4,993 acre-feet of water was discharged from Prior Lake during calendar year 2008.

The peak elevation for Prior Lake was 902.90, which occurred on May 8, 2008. Ice out occurred on April 21 and Upper Prior froze over on November 26, while Lower Prior froze over on December 4, 2008. Prior Lake levels and outlet operation are summarized in Table 2-3. Additional details on the channel inspections are available from the PLSLWD office.

Table 2-3. Prior Lake Outlet Box and Channel Operations, 2008

| Date | Action | Location/ Activity | Lake Level |
|-----------|--------|---------------------------------------|------------|
| 1/1/2008 | Status | Outlet Box – closed since May 1, 2007 | |
| 1/28/2008 | Status | Closed, with plenty of ice | 901.70 |

| Date | Action | Location/ Activity | Lake Level |
|-----------|--------------|--|------------|
| 3/26/08 | Notification | Notice of anticipated opening faxed/mailed | 901.90 |
| 4/3/2008 | Inspection | Removed debris in channel | 902.22 |
| 4/9/08 | Status | Outlet was partial opened | 902.49 |
| 4/11/08 | Status | Outlet opened to 50%: 8 panels open | 902.67 |
| 4/21/2008 | Status | Ice out by end of today | 902.75 |
| 4/24/08 | Inspection | Outlet fully opened | 902.84 |
| 5/19/2008 | Inspection | Outlet remains fully open | 902.82 |
| 5/28/2008 | Status | Outlet fully closed | 902.48 |
| 6/13/2008 | Status | Outlet fully opened | 902.82 |
| 6/16/2008 | Status | Outlet fully closed | 902.75 |
| 6/18/08 | Inspection | Outlet opened to 50% | 902.69 |
| 6/20/2008 | Inspection | Outlet remains 50%, removed significant debris blocking flow | 902.65 |
| 6/23/2008 | Inspection | Outlet fully closed | 902.51 |
| 6/24/2008 | Inspection | Outlet remains closed for the remainder of the year | 902.51 |

Precipitation for year 2008 is summarized in Table 2-4. March, April and December were wetter than average, while the summer months were significantly drier than average. A total of 23.88 inches of precipitation fell in the District in 2008, which was about 25% less than the 30 year annual average of 28.13 inches.

Table 2-4. Precipitation, 2008

| Month | 30-Year Average* | 2008** |
|--------------|------------------|--------------|
| January | 0.67 | 0.12 |
| February | 0.72 | 0.23 |
| March | 1.54 | 1.68 |
| April | 2.13 | 3.06 |
| May | 3.68 | 2.82 |
| June | 4.76 | 3.80 |
| July | 4.09 | 3.05 |
| August | 4.01 | 2.74 |
| September | 2.67 | 2.02 |
| October | 1.92 | 1.76 |
| November | 1.17 | 1.31 |
| December | 0.77 | 1.31 |
| Total | 28.13 | 23.88 |

*30-Year Average, Scott County

**Average of data collected from four stations located in the north, central and southern portions of the watershed.

In 2007 final design plans for reconstruction of the outlet structure on Prior Lake were completed. The Outlet Structure project was placed on hold until the necessary easements can be acquired. During 2008 progress was made with land owners regarding easement acquisition, design plans were revised and construction is anticipated to begin in late 2009.

DATA COLLECTION/MONITORING

Data collection and monitoring efforts consisted of tributary/outlet monitoring, lake level monitoring, and in-lake monitoring. Summaries for each of the monitoring efforts are presented below, except for lake level monitoring results, which were presented in Figures 2-1 and 2-2.

Tributary/Outlet Monitoring

Continuous stage recording meters were installed and operated, and water quality samples collected at the following locations:

- County Ditch 13 at the upstream crossing of Hwy 13 (CD-1) –grab samples
- Outlet of the Highway 13 Wetland (CD-2) – flow and grab samples
- Outlet of the desiltation basin on CD 13 immediately upstream of Spring Lake (CD-3) – grab samples

The Ferric Chloride Treatment System (FeCl_3) system was dosing for various periods from April 9 to June 23, 2008. Grab samples were collected and analyzed three times per month during dosing in accordance to the NPDES permit for the facility. The period of flow outletting from Spring Lake was relatively short, so very little data would have been collected had the site been operational.

Lake Monitoring

Five lakes within the District were monitored in 2008 as part of the Metropolitan Council's Citizen Assisted Monitoring Program (CAMP). The main purpose for participating in CAMP is to provide the District with water quality data that will support the District in properly managing its resources, and provide historic baseline data to help document water quality impacts. The following District lakes were enrolled in CAMP during 2008:

- Spring Lake
- Upper Prior Lake
- Lower Prior Lake
- Cates Lake
- Fish Lake

Surface samples were collected approximately every two weeks between April and October and sent to the Metropolitan Council for analysis for total phosphorus, total kjeldahl nitrogen, and chlorophyll-a. Volunteers also measured surface water temperature and Secchi disk transparency, and rated the physical condition and recreational suitability of the lake during each visit. In addition to the CAMP monitoring, Spring Lake, Upper Prior Lake and Fish Lake were sampled similarly by the Three Rivers Park District twice per month from late April through mid-October. Three Rivers, however, took phosphorus, total kjeldahl nitrogen, and chlorophyll-a samples from 9 different depths, providing a water column profile.

Summaries of the CAMP monitoring results are provided in the Metropolitan Council Environmental Services (MCES) 2008 Lake Water Quality Report. A numerical summary of the growing season (May through September) monitoring results for total phosphorus, Secchi disk transparency and chlorophyll-a is presented in Table 2-5. Figure 2-3 depicts the CAMP phosphorus data graphically, and Figures 2-4, 2-5 and 2-6 present more detailed monitoring data for Fish, Spring and Upper Prior Lakes based on the Three Rivers data. A brief summary of the lakes' trophic status is also provided in the following paragraphs.

Table 2-5. Growing Season (May –September) Average Lake Monitoring Results, 2004-2008.

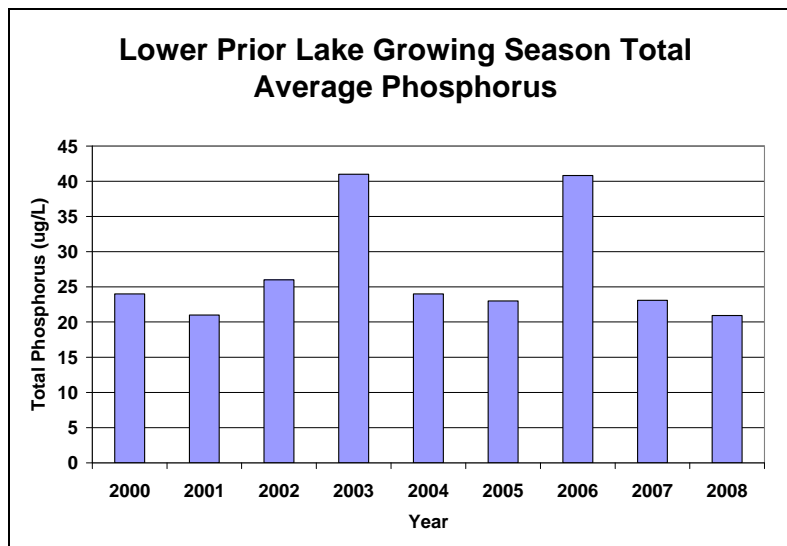
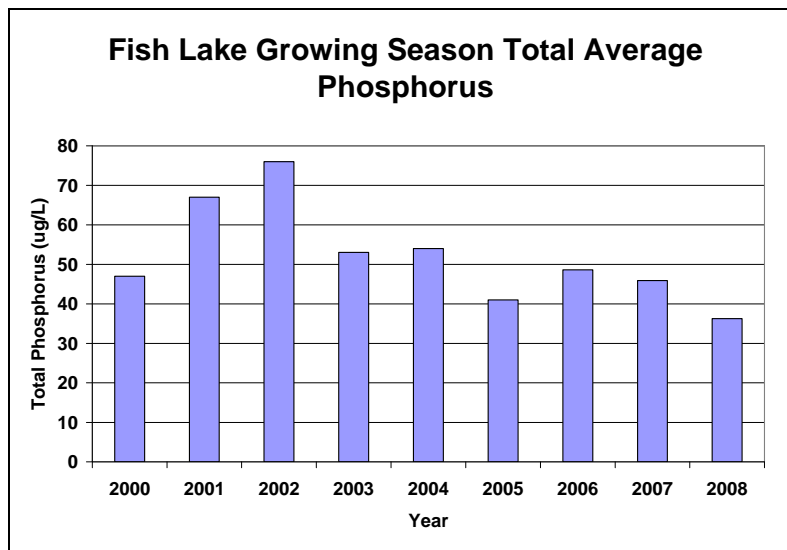
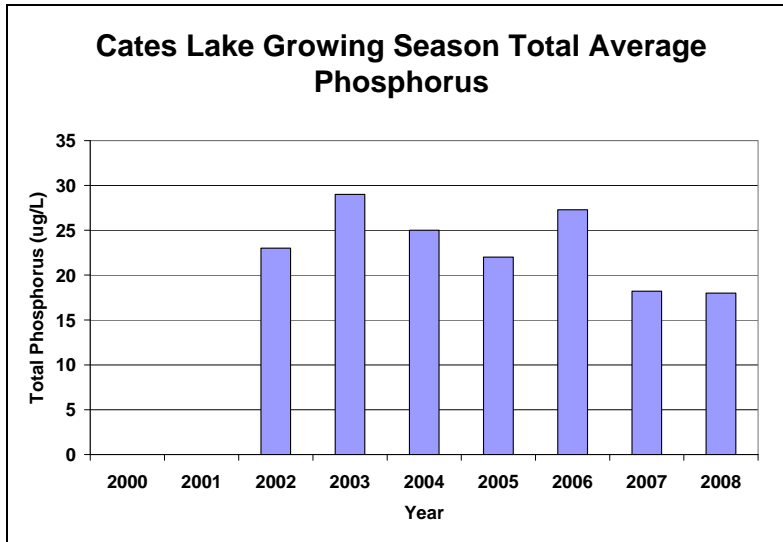
| | TP (µg/L) | | | | | Secchi Disk (meters) | | | | | Chlorophyll- <i>a</i> (µg/L) | | | | |
|------------------------|-----------|-------|-------|-------|-------|----------------------|------|------|------|-------|------------------------------|------|------|------|-------|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2004 | 2005 | 2006 | 2007 | 2008 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Spring (A) | 123.3 | 76.7 | 76.2 | 59.7* | 58.6* | 1.1 | 1.7 | 1.4 | 0.90 | 0.94* | 52.7 | 38.6 | 37.9 | ** | 59.6* |
| Spring (B) | 129.0 | 110.2 | 118.0 | 108.6 | 105.2 | 1.3 | 1.4 | 1.4 | 1.0 | 1.6 | 42.9 | 62.8 | 47.2 | 49.4 | 41.8 |
| Upper Prior (A) | 74.0 | 54.7 | 66.0 | 56.4 | 58.8 | 1.1 | 1.5 | 1.3 | 1.0 | 1.4 | 51.6 | 41.6 | 57.5 | 60.2 | 57.9 |
| Upper Prior (B) | ** | 83.3 | 160.9 | 138.7 | 87.4 | ** | 1.9 | 1.5 | 1.1 | 1.2 | ** | 37.9 | 47.5 | 59.7 | 36.9 |
| Lower Prior (A) | 23.5 | 22.8 | 40.8 | 23.1 | 20.9 | 2.7 | 4.1 | 2.8 | 2.7 | 2.9 | 10.7 | 7.3 | 13.5 | 17.2 | 11.6 |
| Fish (A) | 54.9 | 40.0 | 48.6 | 45.9 | 36.3 | 1.5 | 1.3 | 1.3 | 1.2 | 1.3 | 21.0 | 22.9 | 17.6 | 28.5 | 21.3 |
| Fish (B) | 63.8 | 43.8 | 141.8 | 173.9 | 55.4 | 1.3 | 1.2 | 1.5 | 1.2 | 1.1 | 27.6 | 24.8 | 20.8 | 24.0 | 16.9 |
| Pike (A) | 302.8 | 273.7 | ** | ** | ** | 0.8 | 0.5 | ** | ** | ** | 172.5 | 93.9 | ** | ** | ** |
| Cates (A) | 24.4 | 22.0 | 27.3 | 18.2 | 18.0 | 1.9 | 1.9 | 1.8 | 2.0 | 2.1 | 7.5 | 4.0 | 3.5 | 3.7 | 3.4 |

A = CAMP Volunteer Monitoring, B = Monitoring by Three Rivers Park District for PLSLWD.

* One or more data points missing from the database.

** No monitoring occurred.

Figure 2-3 (5 graphs). Growing Season Average Total Phosphorus, 2000-2008 (CAMP data).



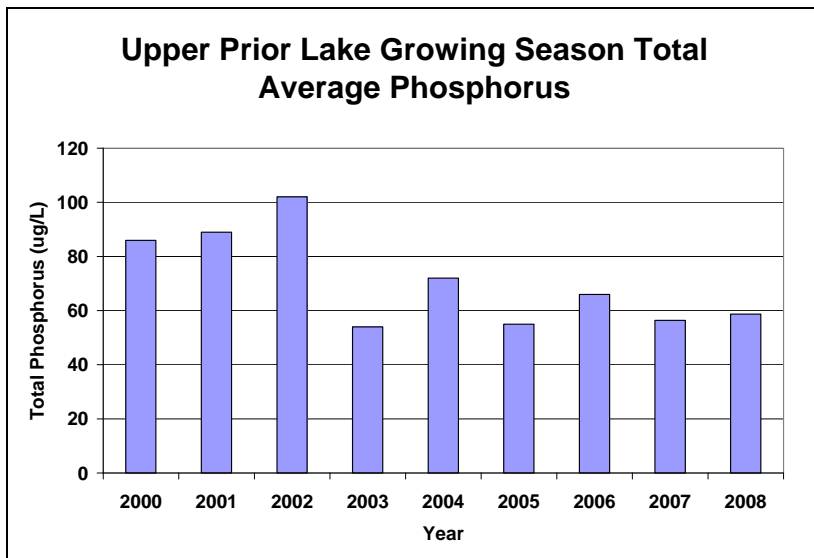
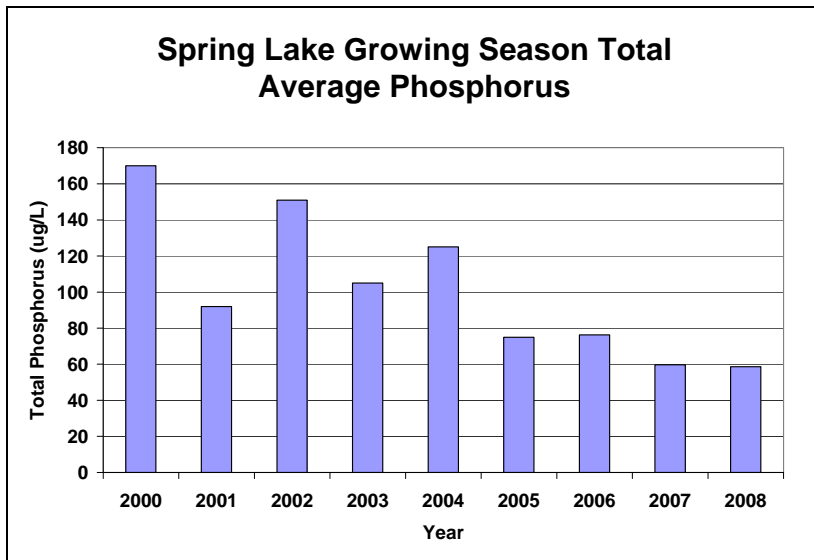


Figure 2-4. Spring Lake Total Phosphorus Sampling Results, 2008.

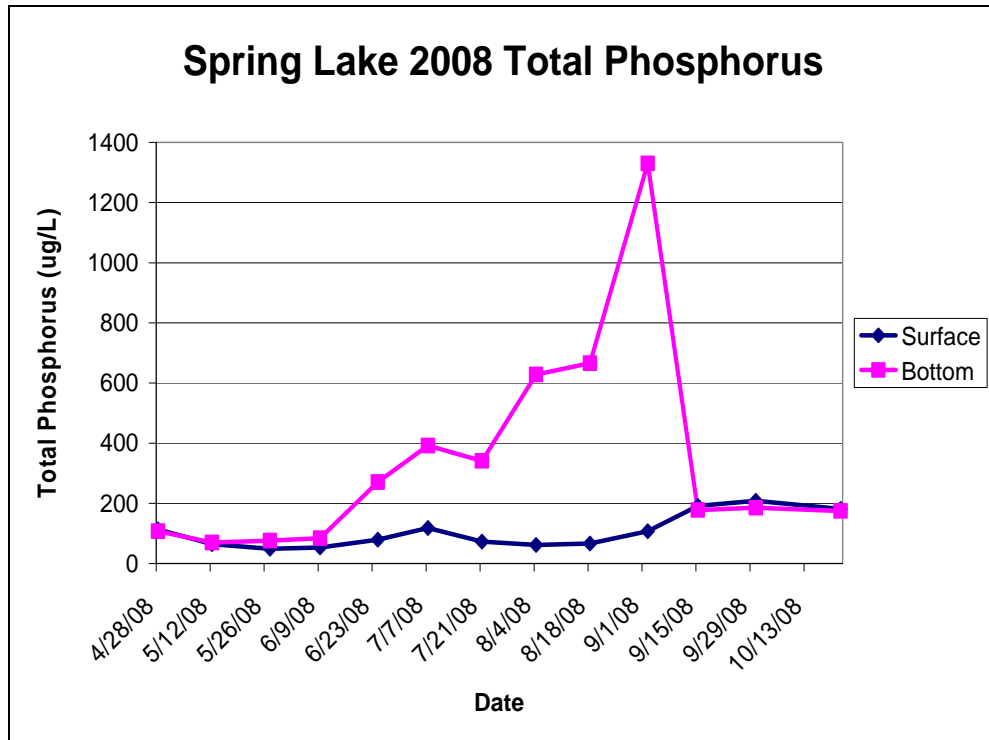


Figure 2-5. Upper Prior Lake Total Phosphorus Sampling Results, 2008.

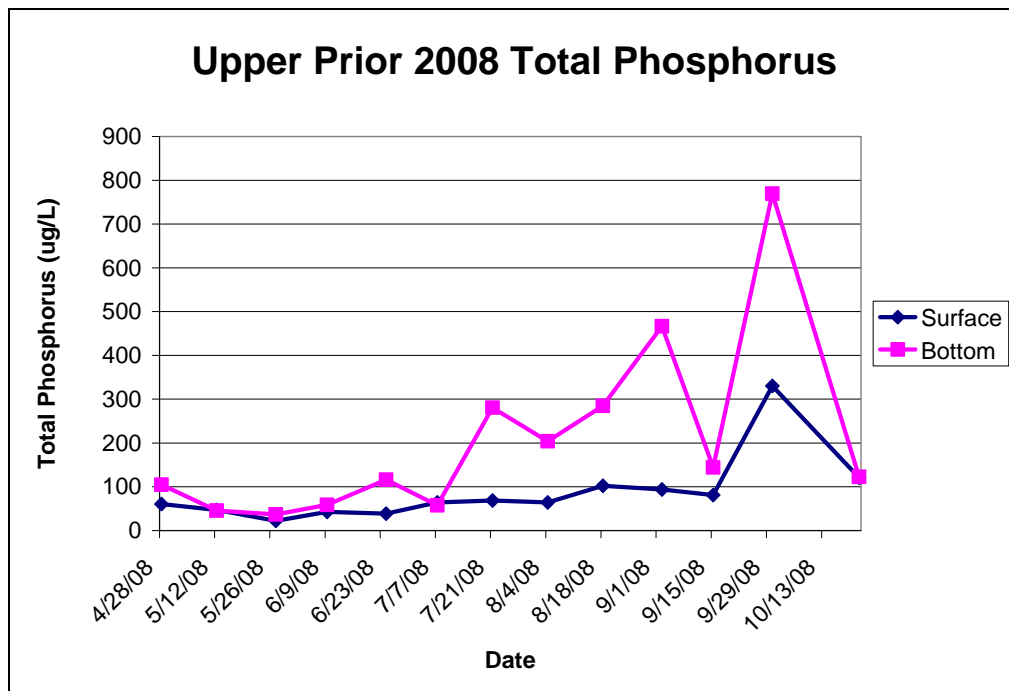
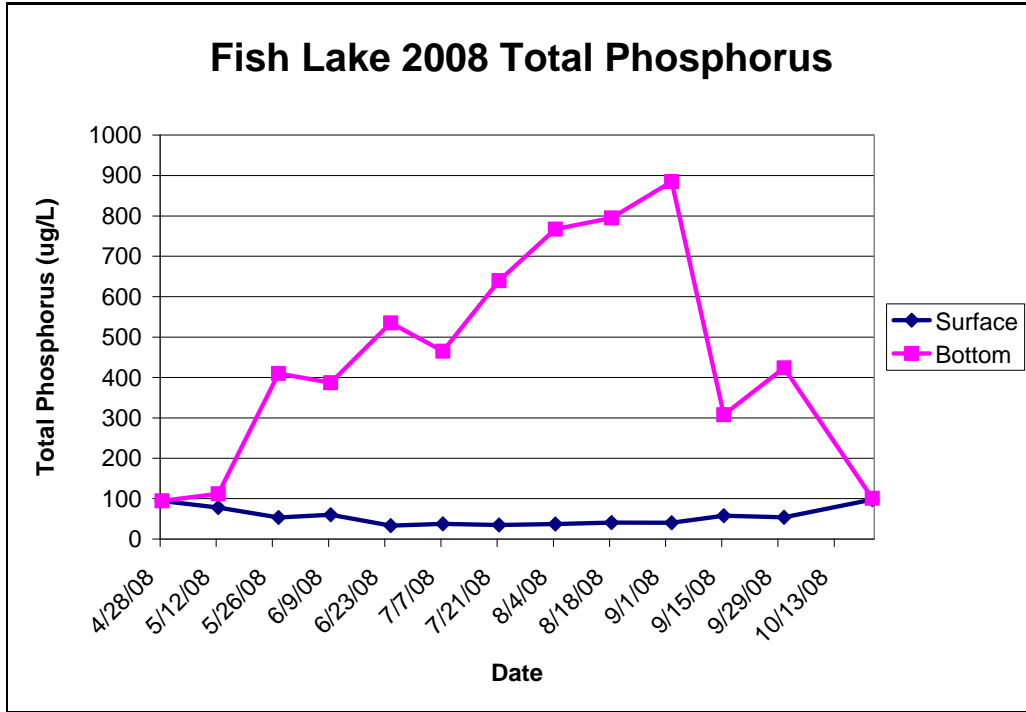


Figure 2-6. Fish Lake Total Phosphorus Sampling Results, 2008.



Lake Trophic Status: Lake water quality is often described by “trophic state” or nutrient status. For low concentrations of nutrients (oligotrophic lakes), there is little nourishment available to support aquatic life, including fish. However, oligotrophic lakes are generally considered very clean. If the nutrient levels are too high (eutrophic and hypereutrophic lakes) excessive algal growth may result. Moderate amounts of nutrients (mesotrophic lakes) are generally considered suitable for recreational purposes.

Scientists use a tool called the Carlson Trophic State Index (TSI) to determine the trophic status of a lake. TSIs are calculated based on certain water quality indicators to determine where the lake fits on this nutrient continuum. The water quality indicators are total phosphorus concentration (TP), chlorophyll-a concentration (Chl-a), and Secchi disk (SD) transparency. Phosphorus often limits plant growth in lake systems and is measured in ug/L. Additions of phosphorus (e.g., external P inputs) will therefore enhance plant growth, including algae. Chl-a is a green pigment in algae. Chl-a concentration provides an indication of how much algae are in the water body and is measured in ug/L. Secchi depth, the third trophic state indicator, is a measure of lake transparency or clarity and is measured in meters. Murky and cloudy lakes have low Secchi disk readings, which usually correspond to higher TP and Chl-a concentrations.

TSIs are calculated based on relationships between these indicators and trophic status. Higher TSIs correspond to high nutrient status. Table 2-7 explains the relationship between TSI value and lake nutrient status, while Figure 2-7 illustrates the relationship between trophic status and the Metropolitan Council Environmental Services (MCES) lake grade. The MCES lake grade is used by the CAMP program to grade lake quality. Finally, Table 2-8 presents the 2008 TSI values and MCES lake grades for monitored lakes in the District.

Table 2-7. Carlson's Trophic State Index (TSI) explanation.

| | |
|--------------------|---|
| TSI <30 | Classic Oligotrophy; Clear water, oxygen through the year in the hypolimnion, salmonid fisheries in deep lakes. |
| TSI 30-40 | Deeper lakes still exhibit classical oligotrophy, but some shallower lakes will become anoxic in the hypolimnion during the summer. |
| TSI 40-50 | Water moderately clear, but increasing probability of anoxia in hypolimnion during summer. |
| TSI 50-60 | Lower boundary of classical eutrophy: Decreased transparency, anoxic hypolimnion during the summer, macrophyte problems evident, warm-water fisheries only. |
| TSI 60-70 | Dominance of blue-green algae, algal scums probable, extensive macrophyte problems. |
| TSI 70-80 | Heavy algal blooms possible throughout the summer, dense macrophyte beds, but extent limited by light penetration. Often would be classified as hypereutrophic. |
| TSI > 80 | Algal scums, summer fish kills, few macrophytes, dominance of rough fish. |

From: The Minnesota Pollution Control Agency (MPCA) lake data web site.

Figure 2-7. Relationship of MCES Lake Grade to Trophic Status

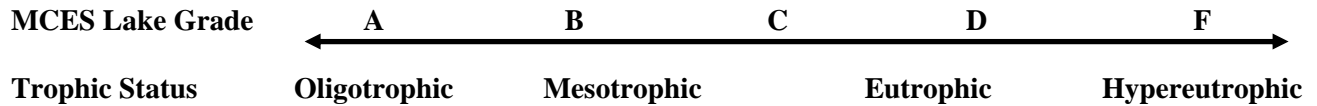


Table 2-8. Trophic Status of District Lakes, 2008 (based on CAMP data).

| Lake | 2008 Results | | | | MCES Grade | Trophic Status | Previous MCES Grades | | | | |
|-------------|--------------|-------------|----------|-----------|------------|-----------------|----------------------|------|------|------|------|
| | TSI (TP) | TSI (Chl-a) | TSI (SD) | TSI (Ave) | | | 2007 | 2006 | 2005 | 2004 | 2003 |
| Spring | 62.9 | 70.7 | 60.9 | 64.8 | C | Eutrophic | C | C | C | D | C |
| Upper Prior | 62.9 | 70.4 | 55.2 | 62.8 | C | Eutrophic | D | D | C | D | C |
| Lower Prior | 48.0 | 54.6 | 44.7 | 49.1 | B/C | Mesotrophic | B | B | A | B | B |
| Fish | 55.9 | 60.6 | 56.2 | 57.6 | C | Eutrophic | C | D | C | C | C |
| Pike | * | * | * | * | * | Hyper-eutrophic | * | D | F | F | F |
| Cates | 45.8 | 42.6 | 49.3 | 45.9 | B | Mesotrophic | B | B | B | B | B |

*No monitoring occurred

All of the lakes in the District are either eutrophic or hypereutrophic except for Cates Lake and Lower Prior Lake, which are mesotrophic. Review of Table 2-8 and comparison with the TSI descriptions in Table 2-7 shows that both Cates Lake and Lower Prior Lake are somewhat close to the boundary for a eutrophic lake, and this boundary is where problems may start to become evident. The western end of Lower Prior Lake is mesotrophic/eutrophic largely because of water flowing through this end from Upper Prior Lake to the outlet. The rest of Lower Prior Lake has a limited watershed and is isolated from a majority of the inflowing water from Upper Prior Lake.

Other entries in Table 2-8 generally describe District lakes in relation to their TSI quite well. With the exception of Lower Prior Lake, lakes in the District are relatively shallow. The shallow conditions partly explain the high degree of eutrophication in District lakes. It is well documented that shallow lakes generally have higher phosphorus concentrations and they are also more sensitive to watershed changes.

Reducing algae blooms in Spring Lake and in other eutrophic-hypereutrophic lakes in the District should focus on reducing the over-abundance of phosphorus. For noticeable improvements to occur in lake water quality, TSI values need to be reduced to 55 or less. On the reverse, if these lakes are allowed to decline further, algae blooms will become worse and fish kills are probable.

Internal Nutrient Loading: Past studies have shown that a significant proportion of the phosphorus loading to Spring and Upper Prior Lakes comes from internal sources of nutrients. This observation is reinforced by the 2008 monitoring data, which tracked the build-up of phosphorus in the hypolimnion (i.e. bottom water) of Spring, Fish and Upper Prior Lakes through the summer months (see Figures 2-4, 2-5 and 2-6).

Efforts to control curlyleaf pondweed and limit carp activity will help to reduce internal recycling of phosphorus somewhat. At some point in the future, sediment phosphorus inactivation may be required to more fully address this internal loading. However, the external (i.e. watershed) inputs of phosphorus must be further reduced to increase the potential long-term effectiveness of a sediment phosphorus inactivation effort such as an in-lake alum treatment. The District is planning to begin work on a carp study in 2009 as rough fish are a common source of internal nutrient resuspension.

PUBLIC EDUCATION AND INFORMATION

Public education and information programs completed in 2008 focused on promoting and facilitating shoreland restoration and buffer projects; providing technical assistance and grants to local schools engaged in water quality improvement projects and watershed education efforts; and providing District residents with information about watershed management issues, partnership opportunities, and upcoming projects.

Over 600 children from Jeffers Pond Elementary assisted with a mass tree planting with the Prior Lake-Spring Lake Watershed District, Minnesota Native Landscapes and The Kestrel Design Group on April 23. Three hundred maple and oak trees were put in the ground with the Environmental Education instructor from the Prior Lake-Savage Area School District leading the demonstration on planting.

The PLSLWD spent 9 hours of staff time on June 10, 2008 in an Environmental Educators Workshop and led a group of seven Jeffers Pond Elementary teachers around the school site to learn environmental characteristics of the “school yard” for incorporation into their lesson plans.

During June and July of 2008, the PLSLWD hosted four shoreland landscaping and raingarden workshops (15 hours of staff time). A total of twenty-eight people attended the workshop, 27 of whom were residents of the PLSLWD. Four homeowners signed up for cost share programs from these workshops. The PLSLWD also provided technical assistance to eight other homeowners interested in shoreland restoration and awarded cost-share grants to three of those homeowners.

The City of Prior Lake’s Lakefront Days was held on August 2, 2008 and PLSLWD staffed a booth where residents could learn about watershed initiatives such as raingardens, lakeshore landscaping and sign up to win a rain barrel (10 hours of staff time). The District also ran a two week rain barrel promotion during which 48 rain barrels were purchased by PLSLWD residents. Verde Strategies held a short workshop at the rain barrel pickup regarding installation, maintenance and general stormwater retention BMPs. Residents showing interest in rain barrel purchase after the promotion were referred to Scott Soil and Water Conservation District (SWCD) who had a longer promotion period and sold 74 rain barrels.

District staff also provided four hours of staff time for education and support at the Five Hawks Elementary Fishing and Water day and five days (thirty hours) of education at the Scott County Outdoor Education Days; between the two events, more than 1000 children learned about the water cycle and watershed protection from District staff. Furthermore, District staff provided 9 hours of staff time at the Watershed Partners exhibit at the 2008 Minnesota State Fair where an estimated 300 to 600 people viewed the exhibit in a four hour period. Watershed information

exhibits were also displayed at the City of Prior Lake Fall Community Festival (7 hours of staff time) and ideas for informational articles were shared with the *Prior Lake American* newspaper.

The District continued its efforts to educate residents about Curlyleaf pondweed and aquatic plant management. District staff was available to answer residents' questions about Curlyleaf control efforts and the benefits of native aquatic plants. Copies of the Aquatic Plant Management Plans for District lakes, as well as previous aquatic plant surveys and fact sheets, were made available to the public.

The District also continued the implementation of the Sustainable Lake Plans for Prior, Spring and Fish Lakes.

The partnership between the Scott SWCD and PLSLWD continued in 2008, with the SWCD providing technical assistance to District residents on agriculture BMPs, runoff reduction options, wetland restoration opportunities, and other land management practices. SWCD staff also presented information on water quality and soil conservation to schools within the watershed.

Efforts were made to continue improving the information provided on the District's website by regularly updating the "Hot Topics" window and improving other page content as time and new information allowed. The District made significant updates to the reports and meeting minutes pages of its website in order to allow for easier public access to District documents.

The District made occasional presentations to the Lakes Advisory Committee, City of Prior Lake, City of Shakopee, Spring Lake Township and other civic groups as requested. Finally, the District provided funding support to Metro Watershed Partners and their "MN Water- Let's Keep it Clean" media campaign for the creation and disbursement of stormwater related educational television commercials, paper brochures and radio ads.

The District also produced a brochure identifying the representatives on the organization's board, how to contract the organization, its role in local water management, and the overall goals of the organization and when public meetings are held. This brochure was available at all community events the District participated in, as well as posted on the District website. Additionally, as soon as it was completed, the District sent copies of the 2007 Annual report to the local governments, and partner organizations and posted the report on the District website. This report provided more in depth information on the District including how the organization is financed, where the local water resource plan can be viewed, and other information relative to the implementation of the plan of the goals and policies governing the District.

PROGRAMS/PROJECTS

Summaries of District Programs and Projects are presented in Table 2-1. This subsection presents detailed descriptions of the following three programs areas:

- Water Quality Improvement and Runoff Management
- Land Management
- Outlet System Management– Outlet and Channel Improvement Project

Water Quality Improvement and Runoff Management

This focus area includes a number of programs and projects, including Curlyleaf pondweed and carp management, operation of the Ferric Chloride (FeCl₃) Treatment System, implementation and refinement of the *Sustainable Water Quality Management Plan for Prior and Spring Lakes*, *Sustainable Lake Management Plan for Fish Lake*, and incentives and technical assistance for the adoption of innovative best management practices for runoff management (water quality improvement and volume control) in the watershed. The following paragraphs summarize those elements of the District's Water Quality Improvement and Runoff Management efforts that are not highlighted or detailed elsewhere in this report.

In 2008, the District continued its Curlyleaf pondweed management efforts through an ongoing partnership with Spring Lake and Fish Lake shoreland residents. Spring Lake open water was not treated in 2008, for the second year in a row, because of past years' successful Curlyleaf treatment. Fish Lake treatment followed the same approach as the Spring Lake effort had in past years (i.e. PLSLWD coordinates the permitting and treats open water areas, and shoreland residents sign up individually to have their shoreline treated at the same time). The results of aquatic plant surveys conducted in 2008 suggest that the Curlyleaf pondweed management effort is reducing the overall density of the plant found growing in Spring Lake and Fish Lake prior to treatment and that treatment has not harmed the native aquatic plants in Spring or Fish lakes.

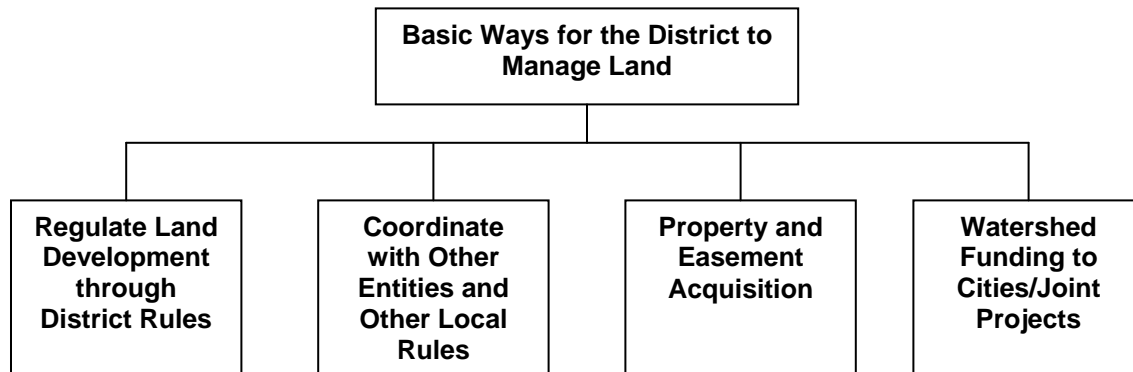
The District decided not to attempt carp seining on Spring Lake in 2008. After realizing the complexities of carp management, the District is looking to study carp habits with the assistance of the University of Minnesota and other carp experts beginning in 2009.

Finally, the District promoted shoreland restoration along area lakes by providing technical design assistance through a partnership with the Scott SWCD and the Metropolitan Association of Soil and Water Conservation Districts. Twelve property owners were given technical assistance and one raingarden, three shoreline restorations and one innovative infiltration project were submitted and approved for the financial assistance portion of the program by the District in 2008 through the District cost-share program.

Land Management Program

The District does not have specific land use/zoning authority for setting aside open space and water storage areas. The District does, however, have other means of affecting land management (Figure 2-8). The Land Management Program attempts to take advantage of all four mechanisms shown in Figure 2-8.

Figure 2-8. Watershed Authority for Land Management



District Rules: The District continued to implement its rules through its permitting program. In addition, the Board of Managers and staff continued to discuss further refinement of the District’s infiltration and buffer rules.

Others’ Rules: Other entities within the District have land management and development rules, sometimes with broader authority than the District. To coordinate with and benefit from these other programs, the District is proactively engaging other entities. In particular the District has participated in the development of the Comprehensive Water Resources Plan for the Scott County Watershed Management Organization, provided input on the county’s 2030 Comprehensive Plan, and engaged individual County Commissioners in the land management discussion. The District also participates periodically in the development review group for the county and more regularly with the local cities.

In January 2008 the District completed an equivalency memorandum of Agreement (MOA) with Scott County. This MOA was the result of District approval of the county’s local water plan and a finding of equivalency between the District and County rules. The District currently has equivalency MOAs in place with the City of Prior Lake, City of Savage and Scott County. An agreement with the City of Shakopee is near completion.

Property and Easement Acquisition: In 1999, the District completed an inventory and prioritized properties for possible acquisition of wetland easements. The Board determined at that time that acquisition would only be from willing landowners. A negotiator was hired to start making contacts and several contacts were made in the ensuing years, with limited success in finding landowners willing to participate in a restoration project with the District. In the fall of 2004, the District directed its engineers to update the 1999 inventory using the latest information available on topography, land use and soils. The initial study was completed in early 2005 and identified a number of potential storage areas and wetland restorations. Work continues in cooperation with the Scott SWCD on the effort to prioritize potential restoration areas and to contact landowners about potential projects.

The District also discussed potential restoration projects within the City of Prior Lake boundaries with City staff, including potential joint restorations with the City and County that have the possibility of occurring during future road reconstruction projects.

Joint Projects: In 1999 the District authorized supplemental payments for a filter strip program sponsored jointly with the Scott SWCD. By pooling resources the District is able to offer incentive payments for 10-year agreements on filter strips that are competitive with rental rates for cropland. This makes conservation an economically competitive choice for farm operators in the District. In early 2000 the District also authorized a similar program with supplemental payments for the Conservation Reserve Enhancement Program (CREP). Efforts in 2008 included the promotion of these programs, coordination with the Scott SWCD, and contact by the SWCD with watershed residents. In 2008 the District also renewed its authorization for supplemental incentive payments for participation in the federal Environmental Quality Incentives program (EQIP).

There is currently no wetland banking program within the District of within Scott County, though the District continues to assess the opportunity for one in order to ensure mitigation is able to occur locally on District or District permitted projects. The District held 1.76 acres of wetland credits in 2008.

Outlet and Channel Improvement Study/Projects

Efforts continued in 2008 on implementing the strategies identified in the *Prior Lake Outlet Channel and Lake Volume Management Study* (May 2003). The District continued to work with the City of Prior Lake, City of Shakopee and Shakopee Mdewakanton Sioux Community to identify changes needed in the Joint Powers Agreement and the work plan for the Outlet System. A summary of channel activity by segment for 2008 is as follows:

- Inter-fluve was selected to complete design and engineering work for the remainder of the Prior Lake Outlet Channel Restoration and Enhancement project. Work is anticipated on **Segments 2, 3, 4, 7, and 8.**
- Construction work was completed on **Segment 1.** The District continues to work with Minnesota Native Landscape to discuss the matter of maintenance and repairs of the work.
- Graduate students from the University of Minnesota's stream restoration class were on site on **Segment 2** within the boundaries of the City of Prior Lake's Pike Lake Park. They conducted cross sectional surveys of the channel as a part of the proposed long term monitoring of the channel. Design work for this segment will be completed by Inter-fluve in early 2009 with construction anticipated in late 2009.
- **Segment 3** is primarily comprised of the YMCA property and a couple of private lots. The Shakopee Mdewakanton Sioux Community purchased the YMCA property in 2008 and the District anticipates finalizing a corrected easement on that property in early 2009. Final design work for this segment will be completed by Inter-fluve in early 2009 with construction anticipated in late 2009.

- The District has continued to work with landowners on **Segment 4** to obtain corrected easements. Design work for this segment will be completed by Inter-fluve in early 2009 with construction anticipated in late 2009.
- **Segment 5** does not have any additional construction work planned. Work was completed on Segment 5c and the District plans to complete corrected easements with the City of Shakopee in 2009. The District also continued working with the City of Shakopee to obtain corrected easements on Segment 5a as part of the platting process.
- There was no work completed in 2008 and is no work planned for **Segment 6**.
- The appraisal to obtain corrected easements for a portion of **Segment 7** was completed and delivered to the land owner. Design work will be completed by Inter-fluve in early 2009 with construction anticipated in late 2009.
- In 2008, it was learned that the District does not have an easement for portions of **Segment 8**. The District was able to obtain an easement from the Metropolitan Council, a land owner, in exchange for the replacement of a culvert under a service trail. The easement with them has been finalized and recorded and the construction will be complete in early 2009.

Final design plans for reconstruction of the **outlet structure on Prior Lake** were finished by the end of 2007. The Outlet Structure project was put aside until District can obtain necessary easements, an appraisal for which will likely be completed in early 2009. It is anticipated that the final plans will be put up for bid in 2009, with construction occurring in late 2009.

YEAR 2009 WORK PLAN

The 2009 Work Plan for the District's Water Resources Management Plan implementation is presented in Table 2-9. The work plan follows the tasks and the projected budget outlined in the District's 1999 Water Resources Management Plan as amended in 2006. Copies of this Plan and additional detail regarding the work plan are available by contacting the District office. Note that the District's 2009 levy also includes \$250,000 for general administrative activities, bringing the total levy for 2009 to \$716,075.

Table 2-9. 2009 Work Plan and Budget

| Subwatershed | Item | Page No.* | 2009 Budget** | 2009 Levy |
|------------------------|---|------------------------------|--|------------------|
| All | Coordinate with County Road Improvements | 5-41, 5-55 | *** | *** |
| | Water Quality and Projects Communications (Education) | 5-8, 5-15, 5-45, 5-56 | \$25,000 | \$50,000 |
| | Planning & Program Development | 5-15, 5-16 | \$50,000 | \$25,000 |
| | Permitting, Plan Review & Compliance | 5-16 | \$30,000 | \$20,000 |
| | Water Quality Monitoring and Other Data Acquisition Efforts | 5-5, 5-35 | \$75,000 | \$15,000 |
| | Innovative Water Management Projects/Volume Reduction | 5-6, 5-15, 5-38 | \$100,000 | \$37,000 |
| Outlet | Outlet Channel Project – Design, Easement acquisition, JPA negotiations, Segment 1 construction | 5-25, 5-34 | \$222,600 and JPA funding | \$40,000 |
| Prior Lake-Spring Lake | Land Management: Easements and Incentives | 5-17, 5-24, 5-38, 5-46 | \$25,000 | \$25,000 |
| | Land Management: Construction & Maintenance | 5-17, 5-24, 5-38, 5-46 | Combined with Land Mgmt-Easements and Incentives | \$0 |
| | TMDLs and Lake Management Plans | 5-6, 5-7 | \$5,000 | \$30,000 |
| Spring Lake | Operation of FeCl ₃ System | 5-15, 5-54 | \$15,000 | \$25,000 |
| | In- Lake phosphorus control: sediment phosphorus inactivation, curlyleaf & carp management | 5-10, 5-15, 5-43, 5-45, 5-52 | \$45,000 | \$50,000 |
| | Wetland Restoration/Enhancement | 5-46, 5-51, 5-53 | \$65,000 | \$0 |
| Total | | | \$657,600 | \$317,000 |

*Refers to the page number in the 1999 Water Resources Management Plan as amended in 2006.

** Budgeted amounts are taken from the CIP table of the 2006 Amendment to the 1999 District Water Resources Management Plan

***Part of general administration/coordination efforts of District staff.

SECTION 3: FINANCIAL ADMINISTRATION

This section presents the 2008 financial information for the District. A financial statement for 2008 based on the District's revenues and expenses and is presented in Table 3-1. A more complete summary is available from the District office.

EXPENDITURES UNDER BUDGET

The following list describes reasons why some funds listed in Table 3-1 were under budget.

- 509 Implementation Fund: Most of the difference between the budgeted and actual costs in this fund was due to the Outlet Channel Restoration and Enhancement Project. For example, while construction of the Outlet Channel Restoration and Enhancement Project was initiated in 2005 as planned, much of the other planned work has not yet been completed. The design and construction schedule for previously planned 2008 channel segments were modified, putting off some of the costs until future years. Additionally, there was little interest in innovative water management grants and land management incentives so these funds were not fully utilized. There were also no wetland acquisitions or restorations.
- Milfoil Control: No District lakes were deemed to need treatment in 2008.
- Debt Service: Due to the more gradual start to the channel work, bonding costs were not fully realized in 2008.
- Construction Fund: The design and construction schedule for previously planned 2008 channel segments were modified, putting off some of the costs until future years. Grant funding has also been available to supplement District expenses on construction costs.

EXPENDITURES OVER BUDGET

The following list describes why some funds listed in Table 3-1 were over budget.

- Outlet Project: There were increased legal and engineering costs for this project due to changes in project designs and additional work to correct existing easements on the channel.
- Outlet Maintenance: There were increased legal, professional services and administration costs in this fund due to the requirements of corrected and additional construction easements for the project, including obtaining a property appraisal and additional professional survey work.

Table 3-1. Financial Summary for FY 2008

| Fund | Balance 1/1/08 | Balance 12/31/08 | Revenues & Transfers | Actual Expenses | Budgeted Expenses | Variance with Final Budget – Positive (Negative) |
|--------------------------|---------------------------|-----------------------------|---|----------------------------|------------------------------|---|
| General | 46,546 | 45,574 | 200,583 | 201,555 | 110,659 | (90,896) |
| 509 Implementation | 1,822,725 | 1,959,187 | 484,488 | 348,026 | 1,291,316 | 943,290 |
| Outlet Project | 1,398,051 | 1,361,261 | (36,790) | 0 | 0 | 0 |
| Outlet Maintenance | 16,873 | 8032 | 912 | 9753 | 9452 | (301) |
| Milfoil Control | 12,686 | 13,343 | 684 | 27 | 0 | (27) |
| Revolving Contingency | 73,296 | 77,265 | 3,969 | 0 | 0 | 0 |

| Fund | Balance 1/1/08 | Balance 12/31/08 | Revenues & Transfers | Actual Expenses | Budgeted Expenses | Variance with Final Budget – Positive (Negative) |
|----------------------|---------------------------|-----------------------------|---|----------------------------|------------------------------|---|
| Debt Services | 84,951 | 63,600 | 120,414 | 141,765 | 142,965 | 1200 |
| Construction Fund | 122,963 | 196,430 | 269,415 | 195,948 | 1,141,451 | 945,503 |
| Totals | 3,578,091 | 3,724,692 | 1,043,675 | 897,074 | 2,695,843 | 1,798,769 |

2009 CERTIFIED LEVY

The preliminary 2009 Levy and Budget was adopted in September 10, 2008. Prior to adoption the District had Public Hearings at both the August and September Board Meetings. The final levy was certified with Scott County in December 2008.

2007 and 2008 ANNUAL AUDIT

The 2007 Audit was completed by HLB Tautges Redpath, Ltd, and includes the District’s Annual Financial Report and the Independent Auditor’s Report on Compliance with Minnesota Legal Compliance Guide for Local Governments for the year ended December 31, 2007. A copy of the 2007 Annual Audit is available for review at the District office.

The 2007 Auditor’s Report states that for the items tested (contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, and claims and disbursements) the Prior Lake-Spring Lake Watershed District complied with the material terms and conditions of applicable legal provisions, except that there is a significant deficiency in the District’s internal control measures. However, this deficiency is common to organizations of small size and unavoidable within the District’s small staff. The District has policies in place to compensate for the lack of segregation of duties within staff, including having all disbursements approved by the Board of Managers.

The 2008 Audit is being completed by HLB Tautges Redpath, Ltd, and includes the District’s Annual Financial Report and the Independent Auditor’s Report on Compliance with Minnesota Legal Compliance Guide for Local Governments for the year ended December 31, 2008. Upon completion, a copy of the 2008 Annual Audit will be available for review at the District office.