MEMORANDUM OF AGREEMENT
FOR USE, OPERATION,
AND MAINTENANCE OF
THE PRIOR LAKE OUTLET CHANNEL
AND OUTLET STRUCTURE
Between the Prior Lake–Spring Lake Watershed District,
the City of Prior Lake,
the City of Shakopee, and
the Shakopee Mdewakanton Sioux Community

Effective May 2, 2019
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MEMORANDUM OF AGREEMENT
FOR USE, OPERATION,
AND MAINTENANCE OF
THE PRIOR LAKE OUTLET CHANNEL
AND OUTLET STRUCTURE

ARTICLE 1. AGREEMENT AND EFFECTIVE DATE
The PRIOR LAKE–SPRING LAKE WATERSHED DISTRICT, a Minnesota political subdivision (the “Watershed District”), the CITY OF PRIOR LAKE, a Minnesota municipal corporation (“Prior Lake”), the CITY OF SHAKOPEE, a Minnesota municipal corporation (“Shakopee”), and the SHAKOPEE MDEWAKANTON SIOUX COMMUNITY, a Federally recognized Indian tribe (the “SMSC”), jointly the “Project Cooperators”, enter into this Memorandum Of Agreement For Use, Operation, And Maintenance Of The Prior Lake Outlet Channel And Outlet Structure (this “MOA,” as more fully defined in Section 2.1.Y) to be effective as of May 2, 2019 (the “Effective Date”) and is automatically renewed but may be revised or amended by the Project Cooperators by formal action and signed by their representatives. In entering into this MOA, the Project Cooperators mutually acknowledge that this MOA’s Provisions constitute sufficient consideration.

ARTICLE 2. DEFINITIONS
2.1 Definitions
Unless otherwise expressly provided in this MOA or the context otherwise requires, the following capitalized words have the following defined meanings when used in this MOA.

A. Annual Meeting. As defined in Section 11.2.

B. B. Best Storm Water Management Practices. Storm water management practices approved or required by the Watershed District.
C. **Claims.** Any and all actions, causes of action, claims, costs, damages, demands, debts, executions, expenses (including reasonable attorneys’ fees and expert and other fees and expenses), fines, judgments, liens, losses, obligations, penalties, or suits.

D. **Conceptual Design.** The Prior Lake Outlet Channel Future Conceptual Plan, a plan for restoring and enhancing the Outlet Channel, that was developed with the input of the Project Cooperators as part of the Prior Lake Outlet Channel and Lake Volume Management Study completed by the Watershed District in 2003. The Conceptual Design is based on the use of ecological principles, bioengineering, and natural stream technology practices to improve channel stability, reduce erosion, and enhance the habitat and aesthetics of the Outlet Channel.

E. **Construct/Construction.** All activities involved in building, creating, improving, or restoring a drainage way, trail, underground utility, or other device, object, or structure including: acquiring land for the work; bidding and contracting for the work; building, managing, inspecting, and approving the work; and remediating contamination or pollution of soil, water, structures, or other media necessary to perform the work.

F. **Construction Costs.** All costs related to Construction including: accountant, architect, appraisal, attorney, Construction management, engineering, and other professional fees and costs; contamination and pollution remediation costs; bidding, budgeting, contracting, office, travel, and other management costs; building or construction costs; easement, right-of-way, and other acquisition costs; erosion control costs; inspection costs; material costs; security costs; and staff costs.

G. **Design.** All activities involved in conceiving, designing, and planning, and in obtaining approval for plans for, a drainage way, trail, underground utility, or other device, object, or structure including: devising, discussing, drawing, and modifying plans and specifications; determining easements, rights-of-way, and other property interests needed; investigating contamination or pollution of soil, water, structures, or other media; preparing remedial action plans and other
documents related to contamination and pollution; testing soil and water; asking for, discussing, and getting comments on, or approvals of, plans and specifications from Project Cooperators or others; and asking for, discussing, and getting governmental comments on, or approvals of, licenses, permits, or other approvals for plans and specifications.

**H. Design Costs.** All costs related to Design including: accountant, architect, appraisal, attorney, engineering, geotechnical, scientific, and other professional fees and costs; bidding, budgeting, contracting, office, travel, and other management costs; investigation and testing costs; meeting and coordination costs; application preparation costs and fees; license, permit, and other governmental approval fees; administrative appeal and contested case fees and costs; and staff costs.

**I. Design Flows.** As defined in Section 7.1.

**J. DNR.** The Minnesota Department of Natural Resources.

**K. District Administrator.** The District Administrator of the Watershed District is empowered to implement this MOA on behalf of the Cooperators by the District’s Board of Managers and to conduct Operation and Maintenance, as approved by the Cooperators in a non-emergency situation. In the case of an emergency, the District Administrator is empowered to act on behalf of the Cooperators and will contact them as soon as possible to notify them of the emergency.

**L. Effective Date.** As defined in Article 1.

**M. Emergency Maintenance.** All activities necessary to achieve immediate compliance with applicable laws and agreements, when immediate compliance is required, and to address conditions that pose an immediate threat to the functioning of a drainage way, trail, underground utility, or other device, object, or structure such as accidental damage, acts of vandalism, bank failure, culvert obstruction, storm damage, structural failure, or a contaminant or pollutant spill including: repairing or rebuilding the device, object, or structure; rebuilding, repairing, or restoring drainage channel banks or beds; removing obstructions; burning, mowing, planting, replanting, spraying, trimming, or otherwise managing vegetation; removing sediment from accumulation zones; cleaning up
contaminant or pollutant spills; and protecting wildlife habitat and the aquatic environment.

N. **Emergency Maintenance Costs.** All costs related to Emergency Maintenance including: accountant, appraisal, architect, attorney, construction management, engineering, geotechnical, scientific, and other professional fees and costs; bank and bed stabilization costs; bidding, budgeting, contracting, office, travel, and other management costs; clean-up costs; contaminant or pollution remediation costs; building or construction costs; erosion control costs; inspection costs; license, permit, and other approval costs; material costs; repair costs; replacement costs; security costs; sediment removal costs; staff costs; vegetation management costs; and wildlife and aquatic environment protection costs.

O. **Emergency Maintenance Fund.** The fund defined and established in Section 10.5A.

P. **Fee Land.** Land owned in fee now or hereafter by the SMSC.

Q. **Other Meetings.** As defined in Section 11.3.

R. **Lake Outlet Project.** As defined in Section 3.1B.

S. **LMCIT.** As defined in Section 12.6A.

T. **Maintain/Maintenance.** All activities necessary to keep a drainage way, trail, underground utility, or other device, object, or structure in good repair, working efficiently, and in compliance with applicable laws and agreements including: rebuilding, repairing, or restoring the drainage way, device, object, or structure; rebuilding, repairing, or restoring channel banks or beds; removing obstructions; burning, mowing, planting, replanting, spraying, trimming, or otherwise managing vegetation; removing sediment from accumulation zones; cleaning up contaminant or pollutant spills; and protecting wildlife habitat and the aquatic environment.

U. **Maximum Average Discharge Rate(s).** As defined in Section 6.3.

V. **MOA.** This Memorandum Of Agreement For Use, Operation, And Maintenance Of The Prior Lake Outlet Channel And Outlet Structure, including the following exhibits that are attached to and are a part of this MOA:

   Exhibit A – Outlet Channel Map
W. **100-Year Rainfall Event.** The total rainfall from a 24-hour rainfall event with a 100-year frequency of return, assuming precipitation depths and the MSE 3 24-hour rainfall distribution, as specified in Atlas 14, Volume 8, *Precipitation Frequency Atlas of the United States, Midwestern States* for Durations of 30 minutes to 24 Hours and Return Periods of one to 100 Years (NOAA, 2013).

X. **Operate/Operation.** All activities needed to keep a drainage way, trail, underground utility, or other device, object, or structure working, including: accounting for funds received and expended; adjusting equipment that is part of, and regularly inspecting, the drainage way or other device, object, or structure; bidding and contracting for, or otherwise providing, Maintenance; budgeting the use of funds received; overseeing the use of the drainage way or other device, object, or structure; providing staff for these activities; raising funds to pay for the enterprise; and otherwise managing the enterprise.

Y. **Operation And Maintenance Budget.** As defined in Section 10.3A

Z. **Operation And Maintenance Costs.** All costs related to Operation or Maintenance including: accountant, architect, appraisal, attorney, engineering, geotechnical, scientific, and other professional fees and costs; bank and bed stabilization costs; bidding, budgeting, contracting, office, travel, and other management costs; clean-up costs; contamination and pollution remediation costs; building or construction costs; erosion control costs; inspection costs; license, permit, and other approval costs; repair costs; replacement costs; sediment removal costs; security costs; staff costs; vegetation management costs; and wildlife and aquatic environment protection costs.

AA. **Operation And Maintenance Fund.** The fund defined and established in Section 10.3B.

BB. **Outlet Channel.** The seven miles of natural and built drainage courses within the
municipal boundaries of Prior Lake and Shakopee that were connected, built, and improved as part of the Lake Outlet Project. See Exhibit A – Outlet Channel Map. The Outlet Channel extends from the Outlet Structure north to the Minnesota River at Blue Lake. The Outlet Channel is divided into the following eight segments:

Segment 1: Prior Lake to County Road 42
Segment 2: County Road 42 to the inlet of Pike Lake
Segment 3: The outlet of Pike Lake to Pike Lake Trail
Segment 4: Pike Lake Trail to County Road 16
Segment 5: County Road 16 to the inlet of Dean Lake
Segment 6: The outlet of Dean Lake to State Trunk Highway 169
Segment 7: State Trunk Highway 169 to State Trunk Highway 101
Segment 8: State Trunk Highway 101 to the Minnesota River

CC. Outlet Operating Plan. The Outlet Control Structure For Prior Lake Management Policy And Operating Procedures (July 3, 2017), a plan documenting the management policy and operating procedures for the Outlet Structure, as developed by the Watershed District and approved by the DNR in July 2017.

DD. Outlet Structure. The structure and pipe that were installed on Prior Lake by the Watershed District in 1983 as part of the Lake Outlet Project, to provide an outlet for the lake. See Exhibit A.

EE. Outlet Structure Repair Project. As defined in Section 3.1G.

FF. Prior Lake. As the context requires, either a Project Cooperator as defined in Article 1 or a lake in the City of Prior Lake.

GG. Project. As defined in Section 3.1J.

HH. Project Cooperators. As defined in Article 1.

II. Projected Average Discharge Rate. The expected average storm water discharge rate from development that occurs after the Effective Date, as calculated by a Project Cooperator according to the formula in Exhibit C – Projected Average Discharge Rate Calculation Formula and Example Calculations, for the entire drainage area within that Project Cooperator’s jurisdiction tributary to an Outlet Channel segment.
JJ. Projected Discharge Rate. The expected storm water discharge rate from a
development or redevelopment calculated in cfs for the 100-Year Rainfall Event
using storm water discharge specifications for a developed or redeveloped area.

KK. Provision. Any agreement, condition, duty, grant, immunity, indemnity,
obligation, promise, provision, release, representation, responsibility, right, term,
or warranty.

LL. Public Service Activity/Activities. As defined in Section 8.5A.

MM. Shakopee. A Project Cooperator as defined in Article 1.

NN. SMSC. A Project Cooperator as defined in Article 1.

OO. State. The State of Minnesota.

PP. Trust Land. Land held now and hereafter by the United States, in trust, for the
beneficial interest of the SMSC.

QQ. 2-Year Rainfall Event. The total rainfall from a 24-hour rainfall event with a two
year frequency of return, precipitation depths and the MSE 3 24-hour rainfall
distribution, as specified in Atlas 14, Volume 8, Precipitation-Frequency Atlas of
the United States, Midwestern States for Durations of 30 minutes to 24 Hours and
Return Periods of one to 100 Years (NOAA, 2013).

RR. Watershed District. A Project Cooperator as defined in Article 1.

2.2 Rules

In interpreting this MOA, the following rules will be used.

A. Captions, Gender, Number, And Language Of Inclusion. The Article and Section
headings in this MOA are for convenience of reference only and do not define,
limit, or prescribe the scope or intent of any MOA Provision. As used in this MOA,
the singular includes the plural and vice versa, and the masculine, feminine, and
neuter adjectives include one another.

B. Construction. The rule of strict construction does not apply to this MOA. This
MOA will not be interpreted in favor of or against any Project Cooperator merely
because of their respective efforts in preparing or modifying it.

C. Words And Phrases. The following words and phrases have the following
meanings in this MOA.

(1) applicable law means all applicable Federal, State, regional, county,
municipal, local, or other constitutions, charters, bylaws, laws, statutes, codes, licenses, ordinances, rules, and regulations, including the applicable law of the Project Cooperators.

(2) cfs means cubic feet per second.
(3) include means include without limitation.
(4) including means including but not limited to.
(5) incurred by means asserted against, imposed upon, incurred by, paid by, or suffered.
(6) parties means two or more of the Project Cooperators as the context of this MOA indicates.
(7) party means one or more of the Project Cooperators as the context of this MOA indicates.
(8) subject to approval by means the entity whose approval is necessary may grant or deny approval, but approval cannot be unreasonably conditioned or delayed, and denial must have a reasonable basis and cannot be unreasonably delayed.

ARTICLE 3. RECITALS AND STATEMENT OF PURPOSE

The following recitals and statement of purpose are incorporated in this MOA.

3.1 Recitals

A. The Project Cooperators have the power to enter into this MOA and desire to do so.
B. In 1983, the Watershed District completed a project to build an artificial outlet for Prior Lake to drain water from Prior Lake and transport the water to the Minnesota River ("Lake Outlet Project"). The Lake Outlet Project connected and improved a natural drainage system of lakes, streams, and wetlands within the municipal boundaries of Prior Lake and Shakopee to connect Prior Lake and the Minnesota River. The resulting drainage way is known as the Outlet Channel. See Exhibit A.
C. The Outlet Channel drains water from land within the jurisdictions of Prior Lake and Shakopee and SMSC Fee Land and Trust Land. The drainage areas tributary to each Outlet Channel segment are shown on Exhibit B – Outlet Channel Segment Drainage Areas.
D. Since completion of the Lake Outlet Project, development has occurred in areas of Prior Lake and Shakopee tributary to the Outlet Channel, and the SMSC has acquired land tributary to the Outlet Channel for development. Consequently, Prior Lake, Shakopee, and the SMSC use the Outlet Channel to convey storm water from developed areas within their boundaries or ownership to the Minnesota River.

E. The approved comprehensive plans of Prior Lake, Shakopee, and Scott County identify substantial additional development that will occur in drainage areas tributary to the Outlet Channel.

F. The SMSC plans additional development on both Fee Land and Trust Land in drainage areas tributary to the Outlet Channel.

G. The Watershed District completed repairs and modifications to the Outlet Structure in 2010 to address wear and tear that had occurred since its installation; to improve its efficiency and safety; and to reduce its operating costs (“Outlet Structure Repair Project”).

H. The Outlet Structure directly and immediately benefits properties within the City of Prior Lake because it reduces Prior Lake water levels on riparian property within the established flood plain. The completed Outlet Structure Repair Project continues these benefits.

I. The Project Cooperators desire to clarify their respective responsibilities and rights regarding the ongoing use, Operation, and Maintenance of the Outlet Structure.

J. The Project Cooperators completed the project which restored and enhanced the Outlet Channel using ecological principles, bioengineering, and natural stream technologies that restored channel stability, improved water quality, enhanced channel habitat and aesthetics, and assured capacity for existing and future storm water flows (“Outlet Channel Restoration And Enhancement Project” or “Project”), all in accordance with the Conceptual Design.

K. Prior Lake and Shakopee desire to assist the Watershed District to acquire the easements and rights-of-way necessary on land the cities might purchase in the future.

L. The SMSC desires to assist the Watershed District to acquire the easements and rights-of-way necessary on Fee Land and Trust Land that the SMSC might purchase
in the future.

M. The Project Cooperators desire to clarify their respective responsibilities and rights regarding the ongoing use, Operation, and Maintenance of the Outlet Channel.

N. The Project Cooperators have agreed to allocate Operation And Maintenance Costs and Emergency Maintenance Costs for the Outlet Channel among the Project Cooperators using the following principles.

(1) The cost-share obligation should be allocated among the Project Cooperators based on each Project Cooperator’s current and anticipated use of the Outlet Channel for storm water conveyance.
   a. The Watershed District’s cost-share obligation should be based on its maximum release rate through the Outlet Structure of 65 cfs.
   b. The cost-share obligation for Prior Lake, Shakopee, and the SMSC should be based on each Project Cooperator’s tributary drainage area by Outlet Channel segment and its Maximum Average Discharge Rate or Rates as identified by each Project Cooperator and incorporated into this MOA.

(2) The contributing drainage area from the SMSC should include Fee Land and Trust Land.

(3) A separate cost-share allocation should be determined for each Outlet Channel segment.

(4) Each Project Cooperator’s cost-share obligation should begin at the point furthest from Blue Lake where storm water from that Project Cooperator’s jurisdictional boundaries first flows into the Outlet Channel and extend from that first point of discharge downstream to the point of inlet into Blue Lake.

O. To provide for ongoing use, Operation, and Maintenance of the Outlet Channel and Outlet Structure, one agreement, this MOA, is being signed by the Watershed District, Prior Lake, SMSC and Shakopee.

3.2 Statement Of Purpose

The general purpose of this MOA is to:

A. Establish Provisions under which the Watershed District will improve, use, Operate, and Maintain the Outlet Structure.

B. Preserve the Watershed District’s discharge capacity rights to the Outlet Channel
from consumption by storm water drainage generated from new development and redevelopment in the Outlet Channel drainage area.

C. Allocate Outlet Channel drainage capacity above that required for the Watershed District among the other Project Cooperators to promote orderly development within the Outlet Channel drainage area.

D. Establish Provisions under which the Project Cooperators will use, Operate, and Maintain the Outlet Channel, including specification of their respective responsibilities for Operation, Maintenance, and Emergency Maintenance, allocation of Operation And Maintenance Costs and Emergency Maintenance Costs among them, and identification of additional uses that Prior Lake, Shakopee, and the SMSC can make of the easements acquired for the Outlet Channel Restoration And Enhancement Project.

ARTICLE 4. REPRESENTATIONS AND WARRANTIES

Each Project Cooperator represents and warrants to the other Project Cooperators, and each of them, as follows:

4.1 Existence and Authority Of Watershed District

The Watershed District represents and warrants that it is a watershed district duly organized and operating under Minnesota Statutes Chapters 103B and 103D and that it has the corporate power and authority to execute and deliver this MOA, to perform fully its obligations under this MOA, and to consummate the transactions contemplated by this MOA. The execution and delivery by the Watershed District of this MOA, the performance of its obligations under this MOA, and the consummation of the transactions contemplated by this MOA have been duly authorized by all requisite corporate action of the Watershed District, and do not and will not conflict with, result in a violation of, or constitute a default under any State statute, its Constitution or bylaws, any other applicable law, any agreement or other instrument binding upon the Watershed District, or any court decree or order applicable to the Watershed District. This MOA is the legal, valid, and binding obligation of the Watershed District, enforceable against the Watershed District in accordance with its Provisions.
4.2 Existence And Authority Of Prior Lake
Prior Lake represents and warrants that it is a municipal corporation duly organized and operating under Minnesota Statutes Chapter 412 and that it has the corporate power and authority to execute and deliver this MOA, to perform fully its obligations under this MOA, and to consummate the transactions contemplated by this MOA. The execution and delivery by Prior Lake of this MOA, the performance of its obligations under this MOA, and the consummation of the transactions contemplated by this MOA have been duly authorized by all requisite corporate action of the Prior Lake City Council, and do not and will not conflict with, result in a violation of, or constitute a default under any State statute, its Code of Ordinances, any other applicable law, any agreement or other instrument binding upon Prior Lake, or any court decree or order applicable to Prior Lake. This MOA is the legal, valid, and binding obligation of Prior Lake, enforceable against Prior Lake in accordance with its Provisions.

4.3 Existence And Authority Of Shakopee
Shakopee represents that it is a municipal corporation duly organized and operating under Minnesota Statutes Chapter 412 and that it has the corporate power and authority to execute and deliver this MOA, to perform fully its obligations under this MOA, and to consummate the transactions contemplated by this MOA. The execution and delivery by Shakopee of this MOA, the performance of its obligations under this MOA, and the consummation of the transactions contemplated by this MOA have been duly authorized by all requisite corporate action of the Shakopee City Council, and do not and will not conflict with, result in a violation of, or constitute a default under any State statute, its Code of Ordinances, any other applicable law, any agreement or other instrument binding upon Shakopee, or any court decree or order applicable to Shakopee. This MOA is the legal, valid, and binding obligation of Shakopee, enforceable against Shakopee in accordance with its Provisions.

4.4 Existence And Authority Of SMSC
The SMSC represents and warrants that it is a Federally recognized Indian tribe, duly organized and existing under Section 16 of the Indian Reorganization Act of 1934, as amended (25 U.S.C. §476), and its Constitution. The SMSC has the full power and authority to enter into this MOA, to perform fully its obligations under this MOA, and
to consummate the transactions contemplated by this MOA. The execution and delivery
by the SMSC of this MOA, the performance by the SMSC of its obligations under this
MOA, and the consummation of the transactions contemplated by this MOA have been
duly authorized by all necessary governmental action of the SMSC, and do not and will
not conflict with, result in a violation of, or constitute a default under its Constitution,
any other applicable law, any agreement or other instrument binding upon the SMSC,
or any court decree or order applicable to the SMSC. This MOA is the legal, valid, and
binding obligation of the SMSC, enforceable against the SMSC in accordance with its
Provisions.

ARTICLE 5.  OPERATION AND MAINTENANCE OF OUTLET STRUCTURE

5.1  Operation And Maintenance Of Outlet Structure
The Watershed District will operate and maintain the outlet structure. In doing so, the
Watershed District will release water from the outlet structure in accordance with the
Outlet Operating Plan and must not exceed the maximum release rate of 65 cfs as
specified in the Plan. All Operation And Maintenance Costs and Emergency
Maintenance Costs related to the outlet structure are the sole and exclusive
responsibility of the Watershed District.

ARTICLE 6.  USES AND DRAINAGE RATES FOR OUTLET CHANNEL

6.1  Permitted Use By Watershed District
The Watershed District will use the Outlet Channel to drain water from Prior Lake and
for no other purposes.

6.2  Permitted Uses And Drainage Areas For Prior Lake, Shakopee, And SMSC
Prior Lake, Shakopee, and the SMSC will use the Outlet Channel to convey storm water
from their respective drainage areas tributary to the Outlet Channel as specified in
Table 1, or Table 1 as subsequently modified in accordance with Section 10.3, and for
no other purposes. Prior Lake, Shakopee, and the SMSC must not convey storm water
to the Outlet Channel from acres not specified in Table 1, or Table 1 as subsequently
modified in accordance with Section 10.3.
Table 1: Outlet Channel Tributary Drainage Areas (downstream of Prior Lake)

<table>
<thead>
<tr>
<th>Outlet Channel Segment</th>
<th>PLSLWD¹</th>
<th>Prior Lake</th>
<th>Shakopee</th>
<th>SMSC²</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>-</td>
<td>771</td>
<td>-</td>
<td>7</td>
<td>778</td>
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<td>8</td>
<td>-</td>
<td>-</td>
<td>29</td>
<td>-</td>
<td>29</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>2,968</td>
<td>4,619</td>
<td>2,703</td>
<td>10,290</td>
</tr>
</tbody>
</table>

¹ The Watershed District’s contribution to the Outlet Channel is not dependent on drainage area; it is based on a maximum release rate through the Outlet Structure of 65 cfs as provided in Section 5.3 of the JPA.

² Includes both Fee Land and Trust Land

6.3 Maximum Average Discharge Rates

The Watershed District, Prior Lake, Shakopee, and the SMSC will not discharge storm water to the outlet channel at rates in excess of the maximum average discharge rate or rates set for each in this Section 6.3 ("Maximum Average Discharge Rate(s)").

A. Maximum Average Discharge Rate For Watershed District. The Watershed District’s Maximum Average Discharge Rate is its maximum release rate for water through the Outlet Structure to the Outlet Channel as provided in Section 5.1 and as shown in Table 2.

B. Maximum Average Discharge Rates For Prior Lake, Shakopee, And SMSC.

Prior Lake, Shakopee, and the SMSC will not discharge storm water to any Outlet
Channel segment from drainage areas in their respective jurisdictions tributary to that segment at a rate that exceeds their respective Maximum Average Discharge Rates for that segment as specified in Table 2, or Table 2 as modified in accordance with Sections 6.6 or 10.3. As stated in Table 2, the Maximum Average Discharge Rates are based on the 100-Year Rainfall Event. For example, in Segment 4: Prior Lake cannot discharge storm water from its 805 acres of tributary drainage area at a rate that exceeds 0.25 cfs per acre; Shakopee cannot discharge storm water from its 2,443 acres of tributary drainage area at a rate that exceeds 0.10 cfs per acre; and the SMSC cannot discharge storm water from its 1,989 acres of tributary drainage area at a rate that exceeds 0.05 cfs per acre.

Table 2: Maximum Average Discharge Rates to Outlet Channel Segments

<table>
<thead>
<tr>
<th>Project Cooperator</th>
<th>Maximum Average Discharge Rate to Outlet Channel per Acre for 100-Year Rainfall Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watershed District</td>
<td>65.00 cfs¹</td>
</tr>
<tr>
<td>Prior Lake</td>
<td>0.25 cfs/acre²</td>
</tr>
<tr>
<td>Shakopee: south (upstream) of Dean Lake, except 124.61 acres directly tributary to Outlet Channel Segment 5 (i.e., Segment 5A)</td>
<td>0.10 cfs/acre²</td>
</tr>
<tr>
<td>Shakopee: north (downstream) of Dean Lake, plus 124.61 acres directly tributary to Outlet Channel Segment 5 (i.e., Segment 5B)</td>
<td>0.25 cfs/acre²</td>
</tr>
<tr>
<td>SMSC</td>
<td>0.05 cfs/acre²</td>
</tr>
</tbody>
</table>

¹ The Watershed District’s Maximum Average Discharge Rate to the Outlet Channel is not an average rate per acre; it is the District’s maximum release rate through the Outlet Structure of 65 cfs as provided in Section 6.3A.

² Each Maximum Average Discharge Rate was provided by the respective Project Cooperator.

6.4 Verifying Watershed District’s Maximum Average Discharge Rate

On an annual basis, the Watershed District will provide to the other Project Cooperators a summary of the operating records and any continuous level and flow monitoring data for the Outlet Structure to show the release rates through the Outlet Structure for the previous calendar year and will certify that its release rates did not exceed the Maximum Average Discharge Rate specified in Section 6.3A and Table 2. If the Watershed District cannot make this certification, it will describe the reason for the failure to certify and the extent of any exceedance.
6.5 Verifying Other Tributary Acreages And Maximum Average Discharge Rates

On an annual basis, Prior Lake, Shakopee, and the SMSC will each verify to the other Project Cooperators that its use of the Outlet Channel conforms to the tributary drainage acreages specified in Section 6.2 and the Maximum Average Discharge Rates specified in Section 6.3 as follows.

A. Information To Be Provided. Prior Lake, Shakopee, and the SMSC will each provide a summary of the following for tributary drainage areas in their respective jurisdictions.

1) All relevant development construction plans and hydrologic and hydraulic modeling as land is developed and a culvert construction plan when a culvert/pipe is reconstructed so the District can maintain a current and accurate model of the Outlet Channel.

2) The tributary drainage acres developed by Outlet Channel segment before the Effective Date. Acreage in Prior Lake and Shakopee will be considered developed before the Effective Date if the preliminary plat for the development was approved by Prior Lake or Shakopee prior to the Effective Date. SMSC Fee Land or Trust Land Acreage will be considered developed if the SMSC General Council or Business Council approved the development before the Effective Date.

3) The tributary drainage acres developed by Outlet Channel segment after the Effective Date.

4) The tributary drainage acres remaining to be developed by Outlet Channel segment based on each Project Cooperator’s current comprehensive plan or equivalent.

5) The Projected Discharge Rate by Outlet Channel segment for tributary drainage areas developed after the Effective Date.

6) The Projected Discharge Rate by Outlet Channel segment for any tributary drainage area redeveloped after the Effective Date.

7) An explanation of any discharge rate offsets within an Outlet Channel segment for tributary drainage areas redeveloped at a discharge rate higher than the area’s Projected Discharge Rate when first developed. For example,
if a low-density residential area is redeveloped as a commercial area, the
Project Cooperator must show how one or more Projected Discharge Rates
will be reduced elsewhere in the tributary drainage area to offset the rate
increase associated with commercial development.

(8) A calculation of the Projected Average Discharge Rate for each Outlet
Channel segment that includes all tributary drainage areas developed after the
Effective Date; and

(9) An explanation of how future development will be managed within each
Outlet Channel segment to ensure conformance with the tributary drainage
acreages specified in Section 6.2 and the Maximum Average Discharge Rates
specified in Section 6.3.

(10) The formula that the Project Cooperators will use to calculate the Projected
Average Discharge Rates for each Outlet Channel Segment and example
calculations are attached as Exhibit C.

B. Use Of Monitoring Data. As an alternative to calculating a Projected Average
Discharge Rate for any Outlet Channel segment, Prior Lake, Shakopee, or the
SMSC may provide the monitored, actual discharge rate for one or more segments
using monitoring methods that are consistent with U.S. Geological Survey
standards, subject to approval by the Watershed District.

C. Certification

(1) Prior Lake, Shakopee, and the SMSC will each certify the following for
tributary drainage areas in their respective jurisdiction:

a. The tributary drainage acres by Outlet Channel segment do not exceed
those specified in Table 1; and

b. The Projected Average Discharge Rate or monitored actual discharge rate
for each Outlet Channel segment does not exceed the Maximum Average
Discharge Rate specified in Section 6.3 for each Outlet Channel segment.

(2) If Prior Lake, Shakopee, or the SMSC, cannot make this certification, it will
describe the reason for the failure to certify and the extent of any exceedance.

6.6 Exceeding Maximum Discharge Rates And Changes To Address Exceedances
A. Options To Address An Excess Discharge Rate. If a Project Cooperator exceeds
its tributary drainage acres as specified in Section 6.2 or its Maximum Average Discharge Rate as specified in Section 6.3 for any Outlet Channel segment or wishes to modify either, the Project Cooperator will either:

(1) Reduce flows elsewhere within its drainage area tributary to the Outlet Channel segment so its Maximum Average Discharge Rate as specified in Section 6.3 is not exceeded, or

(2) Reduce flows within its drainage area tributary to an adjacent Outlet Channel segment, upon approval by all Project Cooperators, or

(3) Assuming the Project Cooperator obtains all applicable approvals, make all improvements or undertake any Maintenance to the Outlet Channel necessary to handle the increased Maximum Average Discharge Rate and pay all Design Costs, Construction Costs, Operation And Maintenance Costs, and Emergency Maintenance Costs for the increased Maximum Average Discharge Rate.

B. MOA To Be Amended

(1) For Reduced Flows To Address An Exceedance. If a Project Cooperator decides to reduce flows elsewhere within its drainage area tributary to the Outlet Channel,

a. It will sign the necessary amendments to this MOA to implement and require the flow reduction, and

b. It will request that the Watershed District incorporate the amendments into this MOA, subject to approval by the other Project Cooperators in the form of signed amendments.

(2) For Improvements Or Maintenance To Address An Exceedance. If a Project Cooperator decides to make improvements to, or undertake Maintenance of, the Outlet Channel:

a. It will sign the necessary amendments to this MOA to incorporate the increased Maximum Average Discharge Rate and to pay for all Design Costs, Construction Costs, Operation And Maintenance Costs, and Emergency Maintenance Costs for that increased Maximum Average Discharge Rate; and
b. It will request that the Watershed District incorporate the amendments into this MOA, subject to approval by the other Project Cooperators in the form of signed amendments.

ARTICLE 7. DESIGN OF OUTLET CHANNEL

7.1 Design Flows
The Design for each segment of the Outlet Channel should provide sufficient capacity for the Outlet Channel’s expected future flows ("Design Flows") specified in Table 3, which are based on the Outlet Channel’s 2018 XPSWMM model. The Design shall consider baseflows equal to the 2-Year Rainfall Event plus 65 cfs of release through the Outlet Structure and conveyance capacity for the 100-Year Rainfall Event plus 65 cfs of release through the Outlet Structure.

<table>
<thead>
<tr>
<th>Segment</th>
<th>Design Flow (cfs) (from 2006 MOA)</th>
<th>2-year</th>
<th>100-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>118</td>
<td>72</td>
<td>89</td>
</tr>
<tr>
<td>2</td>
<td>141</td>
<td>83</td>
<td>135</td>
</tr>
<tr>
<td>3</td>
<td>112</td>
<td>76</td>
<td>108</td>
</tr>
<tr>
<td>4</td>
<td>174</td>
<td>77</td>
<td>320</td>
</tr>
<tr>
<td>5</td>
<td>269</td>
<td>86</td>
<td>341</td>
</tr>
<tr>
<td>6</td>
<td>216</td>
<td>98</td>
<td>320</td>
</tr>
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<td>7</td>
<td>407</td>
<td>129</td>
<td>420</td>
</tr>
<tr>
<td>8</td>
<td>400</td>
<td>130</td>
<td>421</td>
</tr>
</tbody>
</table>

ARTICLE 8. ACQUISITION AND USE OF OUTLET CHANNEL EASEMENTS

8.1 Acquisition By Dedication, Purchase, Or Right-of-Way Grant
To the extent possible, the Project Cooperators will obtain the necessary easements for the ongoing Operation and Maintenance of the Outlet Channel:

A. By dedication pursuant to the Prior Lake and Shakopee subdivision ordinances if land containing a portion of the Outlet Channel or needed easements is developed or redeveloped during this MOA’s term;

B. Through the grant of easements on Fee Land if the SMSC purchases Fee Land that includes a portion of the Outlet Channel or needed easements during this MOA’s
term; or

C. Through the grant of rights-of-way over Trust Land by the United States Government, if the SMSC purchases Trust Land that includes a portion of the Outlet Channel or needed easements during this MOA’s term.

8.2 Acquisition By Purchase Or Condemnation In Prior Lake Or Shakopee

If necessary, the Watershed District will negotiate for and acquire through purchase or condemnation the necessary Outlet Channel easements within the municipal boundaries of Prior Lake and Shakopee. In acquiring the easements, the Watershed District will comply with Minnesota Statutes Chapters 103D, Watershed Districts and 117, Eminent Domain.

A. Assistance By Prior Lake. If the Watershed District determines that condemnation proceedings are required to acquire an easement in Prior Lake, the Watershed District will notify Prior Lake, and Prior Lake will assist the Watershed District in pursuing condemnation. In that event, all legal proceedings will be brought in the joint name of the Watershed District and Prior Lake by the Prior Lake City Attorney. Prior Lake will be solely responsible for all legal fees of its City Attorney.

B. Assistance By Shakopee

(1) Easement Within Watershed District’s Legal Boundaries. If the Watershed District determines that condemnation proceedings are required to acquire an easement in Shakopee and the easement is within the Watershed District’s legal boundaries, Shakopee will cooperate with and assist the Watershed District in pursuing condemnation. The legal proceedings will be brought in the joint name of the Watershed District and Shakopee by the Shakopee City Attorney. Shakopee will be solely responsible for all legal fees of its City Attorney.

(2) Easement Outside Watershed District’s Legal Boundaries. If the Watershed District determines that condemnation proceedings are required to acquire an easement in Shakopee and the easement is outside the Watershed District’s legal boundaries, Shakopee will undertake the condemnation action, and the Watershed District will cooperate with and assist Shakopee. The legal
proceedings will be brought by the Shakopee City Attorney in the joint name of the Watershed District and Shakopee if permissible under applicable law, or if that is not permissible under applicable law, in the name of Shakopee for the benefit of the Watershed District and Shakopee. Shakopee will be solely responsible for all legal fees of its City Attorney.

C. Uses Of And Title To Easements. Easements acquired by the Watershed District will be for drainage purposes over, under, and across the affected properties. However, the Watershed District, Prior Lake, Shakopee, or the SMSC may acquire an easement for purposes in addition to drainage as provided in Section 8.5. In Prior Lake, title to the easements will be acquired in the joint names of the Watershed District and Prior Lake. In Shakopee, title to the easements will be acquired in the joint names of the Watershed District and Shakopee. It is intended that unless the District assumed responsibility under the terms of a FEMA funding agreement, the owner of the culvert and field road is responsible for their operation and maintenance. If an emergency arises that is caused by or is a result of the culvert and the owner does not comply with the District’s request to repair it, the District may respond promptly and perform the necessary work and charge the costs to the owner of the culvert or road. If the owner does not pay for the work, it will be billed to the Emergency Maintenance Fund.

8.3 Acquisition Of Easements Or Rights-Of-Way On Fee Land Or Trust Land
The SMSC could acquire Fee Land or Trust Land that includes a portion of the Outlet Channel or needed easements. If this happens and if the Watershed District needs an easement or right-of-way to build the Project on the Fee Land or Trust Land, the SMSC will provide an easement over Fee Land or will cooperate with the Watershed District to request a right-of-way grant from the United States Government over Trust Land.

8.4 Easement Acquisition Costs
Throughout the entire MOA term, the Project Cooperators will pay all easement acquisition costs according to the cost-share allocation in Section 10.2 using the Operation and Maintenance Fund established in Section 10.3. However, if Prior Lake or Shakopee acquire an easement for the Outlet Channel by dedication, the Project Cooperator acquiring or granting the easement or approving the grant of right-of-way
will receive no cost reimbursement for the value of the easement. If the SMSC grants
an easement on Fee Land or if the United States Government grants a right-of-way over
Trust Land, the SMSC will receive cost reimbursement based on the SMSC’s
acquisition cost of that portion of the Fee Land subject to the easement, or Trust Land
subject to the right-of-way.

8.5 Additional Authorized Easement Uses

A. Project Cooperators May Use Easements. Subject to the limitations of specific
Outlet Channel easements, Prior Lake, SMSC and Shakopee may use Outlet
Channel easements in their respective jurisdictions for the Emergency Maintenance,
Operation, Maintenance, repair, reconstruction, and removal of trails and
underground utilities (individually, a “Public Service Activity,” and collectively
“Public Service Activities”), including nature and recreational trails, electricity,
natural gas, sanitary sewer, storm sewer, telephone and other communications, and
water. In no event will any Public Service Activity interfere with or otherwise
restrict the drainage function of the Outlet Channel. If the Watershed District
reasonably believes a Public Service Activity will do so, it may refuse to allow a
Public Service Activity in a specific easement. Upon completion of any Public
Service Activity in an Outlet Channel easement by Prior Lake or Shakopee, it will
restore the Outlet Channel to its previous condition, unless some alteration of the
Outlet Channel was approved by the Watershed District as part of the Public
Service Activity.

B. Plan Submission And Approval. Before using an Outlet Channel easement in its
jurisdiction for Public Service Activities, Prior Lake, SMSC or Shakopee will
obtain approval from the Watershed District for its proposed use. To begin, Prior
Lake, SMSC or Shakopee will consult with the Watershed District and prepare
plans for the Public Service Activities. Next, Prior Lake, SMSC or Shakopee will
furnish the Watershed District with complete copies of the plans and specifications
for the Public Service Activities. The Watershed District will approve the plans and
specifications or request modifications to them within 60 days of delivery. If
modifications are requested, Prior Lake, SMSC or Shakopee will incorporate the
modifications into the plans and specifications and resubmit them to the Watershed
District. The Watershed District will approve the resubmitted plans and specifications or request modifications to them within 30 days of delivery. This process will be repeated until the Watershed District approves the plans or specifications or until an impasse is reached. If Prior Lake, SMSC or Shakopee and the Watershed District reach impasse, then to the extent the Watershed District determines the plans and specifications are inconsistent with the Outlet Channel Design Flows or the Conceptual Design, the Watershed District’s determination will be conclusive, and Article 14 will not apply.

C. Implement Public Service Activities In Accordance With Plan. After approval by the Watershed District, Prior Lake, SMSC or Shakopee may implement the Public Service Activities in accordance with the approved plans and specifications. The Project Cooperators will implement the Public Service Activities in conformance with all applicable laws and will obtain all permits and approvals required for the Public Service Activities. If any permit or approval requires modification of the approved plans and specifications, the Project Cooperators will not implement the Public Service Activities until the modification has been incorporated into the plans and specifications, subject to approval by the Watershed District.

D. Expanded Size Or Use Of Easements Yet To Be Acquired. If Prior Lake, SMSC or Shakopee anticipate using an Outlet Channel easement yet to be acquired for Public Service Activities, and if the easement will be acquired for more than drainage purposes, then Prior Lake, SMSC or Shakopee will inform the Watershed District of the need for the larger easement or broader purpose when the Design process for the affected segment begins. The Watershed District will then endeavor to incorporate the larger easement or broader purpose in the plans and specifications for the affected segment that are furnished to the Project Cooperators. The Project Cooperator requesting the larger easement or broader purpose will comment on that portion of the plans and specifications relating to the easement size and purpose and may request modifications to these portions. The Watershed District will endeavor again to address the comments and incorporate the modifications into the plans and specifications. However, if the Watershed District determines that the larger easement or broader purpose is inconsistent with the Outlet Channel Design Flows.
or the Conceptual Design, or will delay the Project, the Watershed District’s determination will be conclusive, and Article 15 will not apply.

E. Costs To Be Borne By Those Conducting Public Service Activities. Prior Lake, SMSC or Shakopee will be solely and exclusively responsible for all costs related to their respective Public Services Activities on Outlet Channel easements, including:

(1) Costs incurred by Prior Lake, SMSC or Shakopee to Design, Construct, Operate, and Maintain the Public Service Activities;

(2) Outlet Channel Operation And Maintenance Costs and Emergency Maintenance Costs related to an easement acquired under Section 8.5D to the extent those costs exceed the estimated Operation And Maintenance Costs and Emergency Maintenance Costs for an easement that was not larger than required to implement the Conceptual Design and that did not include purposes other than drainage; and

(3) Outlet Channel Operation And Maintenance Costs and Emergency Maintenance Costs related to any Public Service Activities.

F. Claims Arising From Public Service Activities. Prior Lake, SMSC or Shakopee will be solely and exclusively responsible for all Claims arising out of or in connection with their Public Service Activities, or with any trail or underground utility placed in an Outlet Channel easement as a part of their Public Service Activities.

ARTICLE 9. OPERATION AND MAINTENANCE OF OUTLET CHANNEL

9.1 General

Annual Operation and Maintenance activities will be necessary to monitor the status of the Outlet Channel and ensure the stability and continued performance of the Outlet Channel. In addition, Emergency Maintenance may be required following significant or sustained flows or other events.

9.2 Preparation Of Maintenance Plans

The Watershed District will lead, coordinate, and if necessary, make final decisions on plans and specifications for Maintenance of the Outlet Channel. To begin, the Watershed District will consult with the Project Cooperators and prepare plans and
specifications for Maintenance of each Outlet Channel segment that preserve the Design Flows considering generally acceptable engineering practices for drainage systems and Best Storm Water Management Practices. Next, the Watershed District will furnish the Project Cooperators with complete copies of the plans and specifications for the Maintenance activities. The Project Cooperators will comment on the plans and specifications or request modifications to them within 60 days of delivery. If a Project Cooperator provides comments or requests modifications, the Watershed District will endeavor to address the comments and incorporate the modifications into the plans and specifications. However, if situations arise where the Watershed District receives comments or modifications that are inconsistent with the Outlet Channel Maintenance needs, the Design Flows, or with other comments or requested modifications, to avoid delays in Outlet Channel Maintenance, the Watershed District’s determination on Maintenance questions will be conclusive, and Article 15 will not apply.

9.3 Operation And Maintenance By Watershed District Or Other Project Cooperators

A. Watershed District To Operate And Maintain Outlet Channel. The Watershed District will Operate and Maintain the Outlet Channel in accordance with the Prior Lake Outlet Structure Management Policy and Operating Procedures as approved by the Minnesota Department of Natural Resources (MDNR) in 2017 and any subsequent revisions approved by the MDNR. The Watershed District will do so in conformance with all applicable laws and will obtain all permits and approvals required for Operation and Maintenance activities by any governmental unit having jurisdiction over the Outlet Channel, including Prior Lake, Shakopee, the SMSC, the Lower Minnesota Watershed District, the DNR, the U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency. If any permit or approval requires modification of a Maintenance plan developed under Section 9.2, the Watershed District can make the required modification. The Watershed District will notify the other Project Cooperators of the change prior to the start of Maintenance but need not submit the modified plans to the other Project Cooperators for review and comment.

B. Annual Inspection. Each year, the Watershed District will inspect the Outlet
Channel as required in the Prior Lake Outlet Structure Management Policy and Operating Procedures. If an inspection reveals changed conditions in any Outlet Channel segment that warrant changes in that segment’s Maintenance plan, the Watershed District will amend the segment Maintenance plan using the procedure in Section 9.2. If an inspection reveals that Emergency Maintenance is required, the Watershed District will undertake Emergency Maintenance as provided in Section 9.4.

C. Operation Or Maintenance By Other Project Cooperators. The Watershed District may contract with or enter into a delegation agreement with other Project Cooperators to Operate or Maintain Outlet Channel segments within that Project Cooperator’s jurisdiction. The contract or delegation agreement will specify the method for documenting Operation And Maintenance Costs incurred by the Project Cooperator to the Watershed District and for payment of the Project Cooperator. All Operation or Maintenance undertaken by other Project Cooperators will be in accordance with the Outlet Channel segment Maintenance plans developed under Section 9.2. The Project Cooperator will Operate or Maintain Outlet Channel segments in conformance with all applicable laws and will obtain all permits and approvals required for Operation or Maintenance by any governmental unit having jurisdiction over the Outlet Channel, including Prior Lake, Shakopee, the SMSC, the Watershed District, the Lower Minnesota Watershed District, the DNR, the U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency. If any permit or approval requires modification of a final segment Maintenance plan developed under Section 9.2, the Project Cooperator will not commence work until the modification has been incorporated into the Maintenance plan, subject to approval by the Watershed District. The Operation And Maintenance Costs incurred by the Project Cooperator will be paid from the Operation And Maintenance Fund, or be counted as a credit against the Project Cooperator’s next Operation And Maintenance Fund payment, subject to approval by the Watershed District after it receives an itemized statement of those costs from the Project Cooperator.
9.4 Emergency Maintenance By Watershed District Or Other Project Cooperators

A. Watershed District To Perform Emergency Maintenance. Whenever the need for Emergency Maintenance arises, the Watershed District will respond promptly and perform the necessary work. To the extent possible under the circumstances, Emergency Maintenance will conform to the Maintenance plan for the Outlet Channel segment in which the Emergency Maintenance occurs. The Watershed District will perform the Emergency Maintenance in conformance with all applicable laws and will obtain all permits and approvals required for Emergency Maintenance activities by any governmental unit having jurisdiction over the Outlet Channel, including Prior Lake, Shakopee, the SSMC, the Lower Minnesota Watershed District, the DNR, the U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency.

B. Emergency Maintenance By Other Project Cooperators. If a Project Cooperator discovers the need for Emergency Maintenance, it will communicate the emergency to the Watershed District immediately. If the Watershed District is unavailable or unable to perform the Emergency Maintenance, a Project Cooperator may perform the Emergency Maintenance, which will, to the extent possible under the circumstances, conform to the Maintenance plan for the Outlet Channel segment in which the Emergency Maintenance occurs. The Project Cooperator will perform the Emergency Maintenance in conformance with all applicable laws and will obtain all permits and approvals required for Operation or Maintenance by any governmental unit having jurisdiction over the Outlet Channel, including Prior Lake, Shakopee, the SSMC, the Watershed District, the Lower Minnesota Watershed District, the DNR, the U.S. Army Corps of Engineers, and the U.S. Environmental Protection Agency. When circumstances allow, the Project Cooperator undertaking the Emergency Maintenance will provide the other Project Cooperators with 24 hour notice of the Emergency Maintenance; however, the Project Cooperator is entitled to move forward with the Emergency Maintenance regardless of response from the other Project Cooperators. The Emergency Maintenance Costs incurred by the Project Cooperator will be paid from the Emergency Maintenance Fund. The costs will be counted as a credit against the
Project Cooperator's next Emergency Maintenance Fund payment, subject to approval by the Watershed District after it receives and approves an itemized statement of those costs from the Project Cooperator.

9.5 Operation and Maintenance Cost Participation

A. Operation And Maintenance Costs. Throughout the entire MOA term, the Project Cooperators will pay all Operation And Maintenance Costs for the Outlet Channel according to the cost-share allocation in Section 10.2 using the Operation And Maintenance Fund established in Section 10.4.

B. Emergency Maintenance Costs. Throughout the entire MOA term, the Project Cooperators will pay all Emergency Maintenance Costs for the Outlet Channel as specified in Article 10 using the Emergency Maintenance Fund established in Section 10.4. But if a discharge exceeding the Maximum Average Discharge Rates in Table 2 causes conditions requiring Emergency Maintenance, then the Project Cooperator whose discharge exceeds its Maximum Average Discharge Rate will pay all related Emergency Maintenance Costs and Claims. If multiple discharges exceeding the Maximum Average Discharge Rates in Table 2 cause conditions requiring Emergency Maintenance, then the Project Cooperators whose discharges exceed their Maximum Average Discharge Rates will pay all related Emergency Maintenance Costs and Claims in amounts proportional to their excess discharges.

ARTICLE 10. COST-SHARE ALLOCATION

10.1 Cost-Share Allocation

A. Operation, Maintenance, And Emergency Maintenance Cost-Share Allocation

(1) For Specific Channel Segments. Operation And Maintenance Costs and Emergency Maintenance Costs for a specific Outlet Channel segment will be allocated to the Project Cooperators according to the Outlet Channel segment cost-share allocation in Table 4 for that Outlet Channel Segment, or in Table 4 as modified in accordance with Sections 6.6 or 10.3.

(2) For Entire Outlet Channel. Operation And Maintenance Costs and Emergency Maintenance Costs for the overall Outlet Channel (for example, annual inspection costs and the annual Emergency Maintenance Fund payments) will
be allocated to the Project Cooperators according to the “Total” cost-share allocation in Table 4, or Table 4 as modified in accordance with Sections 6.6 or 10.3.

Table 4: Cost-Share Allocation for Outlet Channel

<table>
<thead>
<tr>
<th>Outlet Channel Segment</th>
<th>Segment Flow</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PLSLWD</td>
</tr>
<tr>
<td>1</td>
<td>87.0%</td>
</tr>
<tr>
<td>2</td>
<td>84.1%</td>
</tr>
<tr>
<td>3</td>
<td>72.1%</td>
</tr>
<tr>
<td>4</td>
<td>40.7%</td>
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<tr>
<td>5</td>
<td>37.4%</td>
</tr>
<tr>
<td>6</td>
<td>33.2%</td>
</tr>
<tr>
<td>7</td>
<td>27.9%</td>
</tr>
<tr>
<td>8</td>
<td>27.8%</td>
</tr>
<tr>
<td>Total Flow</td>
<td>42.0%</td>
</tr>
</tbody>
</table>

B. Cost-Share Allocation Formula. The formula used to calculate the cost-share allocation is more particularly described in Exhibit D – Calculation Method for Cost-Share Allocation and will be used to recalculate the cost-share allocation when required by other Provisions of this MOA.

10.2 Revisions To Cost-Share Allocations Due To Changes In Tributary Drainage Areas

If any Project Cooperator’s tributary drainage area changes by more than 40 acres, the Watershed District will recalculate that Project Cooperator’s cost-share allocations and amend this MOA as follows:

A. Recalculation And Payment Of Cost-Share Allocations. As to Outlet Channel Operation and Maintenance Costs, and Outlet Channel Emergency Maintenance Costs incurred subsequent due to a change in tributary drainage area, the following Provisions will apply.

(1) Cost Recalculation

a. The Watershed District will recalculate the cost-share allocation according to the method described in Exhibit E to reflect the change in tributary drainage area and to document the change in Maximum Average
Discharge Rate associated with change in the tributary drainage area. For any tributary drainage area changing jurisdictions, the Maximum Average Discharge Rate will be the Maximum Average Discharge Rate originally associated with the tributary drainage area.

b. In addition, the Watershed District will amend this MOA to incorporate the recalculation including any necessary changes to Tables 1, 2, and 4, subject to approval by the other Project Cooperators in the form of signed amendments.

(2) Payment Of Cost-Share Allocations. All these costs incurred after the change in tributary drainage area will be borne by the Project Cooperators according to the cost-share allocations recalculated under Section 10.2. If the change in tributary drainage area results in an overall discharge to that Outlet Channel segment in excess of the acquiring Project Cooperator’s Maximum Average Discharge Rate for that segment as specified in Table 2 (recalling that Section 6.3 provides that the Maximum Average Discharge Rate for a tributary section changing jurisdictions will be the same as originally provided for that tributary drainage area), the Project Cooperator acquiring the additional area will address the excess discharge in accordance with Section 6.6.

10.3 Operation and Maintenance Fund and Payment of Operation and Maintenance Cost-Share Allocations

A. Annual Payments To Operation And Maintenance Fund. In February of every calendar year, each Project Cooperator will pay into the Operation And Maintenance Fund its share of the Operation And Maintenance Budget for that calendar year and any deficiency from the previous year, according to the cost-share allocation in Section 10.1.

B. Operation And Maintenance Fund Administration. The Operation And Maintenance Fund will be administered by the Watershed District in accordance with the following Provisions.

(1) Authorized Payments. The Watershed District may use the Operation And Maintenance Fund at any time to pay Operation And Maintenance Costs of the Outlet Channel and to pay any Project Cooperator who acts under and
(2) **Consistency With Budget.** The Operation and Maintenance expenditures will be consistent with the budget developed during the Annual Meeting. Any variation from the budget of more than ten percent is subject to approval by all the Project Cooperators in writing.

(3) **Year End Reconciliation.** Following the end of a calendar year and before April 30 of the next year, the Watershed District will provide the Project Cooperators with a detailed accounting of the Operation And Maintenance Fund for the previous year. If any funds remain at calendar year end, the Watershed District will allocate the funds as credits to the Project Cooperators according to the cost-share allocation in Section 10.1. The Watershed District will then refund the credits, or at a Project Cooperator’s direction, will subtract the credit from that Project Cooperator’s next annual Operation And Maintenance Fund payment. If a deficit exists at calendar year end, the Watershed District will allocate the deficit among the Project Cooperators as deficiencies according to the cost share allocation in Section 10.1 and will add the deficiencies to the following year’s Operation And Maintenance Fund payments for the Project Cooperators.

(4) **Interest To Remain In Fund.** Interest earned by the Operation And Maintenance Fund, up to $10,000, will remain in the Fund to pay future Operation And Maintenance Costs. The interest will be reviewed annually and if there are any amounts over $10,000, they will be used to defray future costs in the next budgeting year.

10.4 **Payment Of Emergency Maintenance Cost-Share Allocations**

A. **Emergency Maintenance Fund Administration.** The Emergency Maintenance Fund will be administered by the Watershed District and initiated when there is Emergency Maintenance as described in the Definitions Section and in accordance with the following Provisions.

(1) **Authorized Payments.** The Watershed District may use the Emergency Maintenance Fund at any time to pay Emergency Maintenance Costs of the Outlet Channel and to pay any Project Cooperator who acts under and
complies with Section 9.4B.

(2) **Year End Report.** Following the end of a calendar year and before April 30 of the next year, the Watershed District will provide the Project Cooperators with a detailed accounting of the Emergency Maintenance Fund for the previous year.

(3) **Replenishment Of Fund.** When Emergency Maintenance is performed on an Outlet Channel segment, the Watershed District will replenish the Emergency Maintenance Fund by invoicing the Project Cooperators using that segment in an amount equal to the Emergency Maintenance Costs, according to the cost-share allocation in Section 10.1. The District will maintain $250,000 in the Emergency Maintenance Fund.

(4) **Interest To Remain In Fund.** Interest earned by the Emergency Maintenance Fund, up to $10,000, will remain in the Fund to pay future Emergency Maintenance Costs. The amount of interest will be reviewed annually and amounts over $10,000 will be used to defray future costs in the next budget year.

**10.5 General Fund Administration And Recordkeeping**

In addition to the specific fund administration requirements in Sections 10.3, and 10.4, the Watershed District will administer the Operation And Maintenance Fund and Emergency Maintenance Fund according to the following Provisions.

**A. Accounts To Conform To Statutory Requirements.** Funds will be retained in accounts that conform to the requirements of Minnesota Statutes Chapter 118A.

**B. Retention And Inspection Of Records.** The Watershed District will retain all financial records for the Funds for a period of six years following the completion of any work. The Project Cooperators may inspect the books and records maintained by the Watershed District for the Outlet Channel during normal business hours.

**C. Quarterly Reports.** The Watershed District will provide quarterly fund balance statements for each Fund to the Project Cooperators.

**D. Annual Audit.** The Watershed District will include the Funds in its annual audit, provide a copy of the audit to the Project Cooperators, and, upon request, will make these financial records available for review or audit by any Project Cooperator.
E. Reimbursement Of Watershed District. The Watershed District will be reimbursed from the Operation And Maintenance Fund for actual staff costs and accounting fees associated with implementing activities in the approved budget/work plan, maintaining financial records and reporting to the Project Cooperators and others about the Operation And Maintenance Fund, and Emergency Maintenance Fund. The Watershed District will also be reimbursed from the Operation and Maintenance Fund for actual staff costs, legal and accounting fees associated with doing emergency work.

ARTICLE 11. PROJECT COOPERATOR MEETINGS

11.1 General Provisions

A. Representation At Meetings. Each Project Cooperator will designate an individual and an alternative to serve as representatives and attend Project Cooperator meetings.

B. Meetings Open And Noticed. All meetings of the Project Cooperators will be noticed and open to the public in accordance with the requirements of applicable law governing any Project Cooperator.

C. Quorum. No business may be conducted at a meeting unless representatives of three Project Cooperators are present.

D. Voting. Each Project Cooperator will have one vote, and any action requires the vote of three Project Cooperators.

E. Conduct Of Meeting. Meetings will be conducted in accordance with this MOA’s Provisions and the latest edition of Robert’s Rules of Order. If a conflict arises between this MOA’s Provisions and Robert’s Rules of Order, this MOA will control. The Watershed District’s representative will serve as chair.

11.2 Annual Meeting And Failure To Agree On Budgets

The Watershed District will convene a coordination and planning meeting of the Project Cooperators each year in August (the “Annual Meeting”).

A. Annual Meeting Activities. At the Annual Meeting, the Project Cooperators will:

(1) Review the previous year’s activities;

(2) Discuss the Operation and Maintenance planned for the Outlet Channel in the
next calendar year;

(3) Review any completed or requested modifications to the cost-share allocations;

(3) Review the status of the Operation And Maintenance Fund, and the Emergency Maintenance Fund;

(5) Refine the Operation And Maintenance Costs based on the most recent data.

(8) Approve a budget for Operation And Maintenance Costs for the next calendar year ("Operation And Maintenance Budget").

B. Failure To Agree On Budgets.

(1) Failure To Agree On Operation And Maintenance Budget. If for any reason, the Project Cooperators fail to agree on an Operation And Maintenance Budget for the Outlet Channel, the Operation And Maintenance Budget for the prior year plus an inflation factor equal to the Engineering News Record Construction Cost Index calculated using the prior year as the base year will apply to the next year, and the annual contributions of each Project Cooperator will be based on the prior year’s budget as adjusted.

11.3 Other Meetings

Project Cooperator meetings will be called by the Watershed District quarterly or by a written request to the Watershed District signed by any two Project Cooperators.

ARTICLE 12. INDEMNIFICATION

12.1 Watershed District Indemnification Of Prior Lake, Shakopee, And SMSC
Subject to the limitations of Minnesota Statutes Chapter 466, the Watershed District will defend, indemnify, and hold Prior Lake, Shakopee, and the SMSC harmless from Claims arising out of or in connection with any Operation, Maintenance, or Emergency Maintenance by the Watershed District of the Outlet Structure or Outlet Channel; or any failure by the Watershed District to comply with this MOA’s Provisions. Under no circumstances, however, will the Watershed District be required to pay any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466 applicable to any one Project Cooperator. Claims may not be aggregated to exceed the
statutory limits afforded by Minnesota Statutes Chapter 466.

12.2 Prior Lake Indemnification Of Watershed District, Shakopee, And SMSC

A. Prior Lake General Indemnity. Subject to the limitations of Minnesota Statutes Chapter 466, Prior Lake will defend, indemnify, and hold the Watershed District, Shakopee, the SMSC, and their respective elected and appointed officials, employees, and agents harmless from Claims arising out of or in connection with: any Operation, Maintenance, or Emergency Maintenance by Prior Lake of the Outlet Channel; any Public Service Activity by Prior Lake; or any failure by Prior Lake to comply with this MOA’s Provisions. Under no circumstances, however, will Prior Lake be required to pay any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466 applicable to any one Project Cooperator. Claims may not be aggregated to exceed the statutory limits afforded by Minnesota Statutes Chapter 466.

B. Prior Lake Indemnity For Public Service Activities. Subject to the limitations of Minnesota Statutes Chapter 466 as modified in this Section 12.2B., Prior Lake will defend, indemnify, and hold the Watershed District, Shakopee, the SMSC, and their respective elected and appointed officials, employees, and agents harmless from Claims arising out of or in connection with Prior Lake’s Public Service Activities or with any trail or underground utility placed in an Outlet Channel easement as part of Prior Lake’s Public Service Activities. Prior Lake understands that under Minnesota Statutes Section 466.03, subd. 6e, Prior Lake is not subject to tort liability for Claims arising out of or in connection with any trail placed in an Outlet Channel easement as part of Prior Lake’s Public Service Activities or the Public Service Activities necessary to Design, Construct, Operate, and Maintain any trail. Nevertheless, for the purpose of the indemnity provided in this Section 12.2B only and up to the limits on liability established in Minnesota Statutes Chapter 466 only, Prior Lake waives its sovereign immunity. Under no circumstances, however, will Prior Lake be required to pay any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466 applicable to any one Project Cooperator. Claims may not be aggregated to exceed the statutory limits afforded by Minnesota Statutes Chapter 466.
12.3 Shakopee Indemnification Of Watershed District, Prior Lake, And SMSC

A. Shakopee General Indemnity. Subject to the limitations of Minnesota Statutes Chapter 466, Shakopee will defend, indemnify, and hold the Watershed District, Prior Lake, the SMSC, and their respective elected and appointed officials, employees, and agents harmless from Claims arising out of or in connection with: any Operation, Maintenance, or Emergency Maintenance by Shakopee of the Outlet Channel; any Public Service Activity by Shakopee; or any failure by Shakopee to comply with this MOA’s Provisions. Under no circumstances, however, will Shakopee be required to pay any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466 applicable to any one Project Cooperator. Claims may not be aggregated to exceed the statutory limits afforded by Minnesota Statutes Chapter 466.

B. Shakopee Indemnity For Public Service Activities. Subject to the limitations of Minnesota Statutes Chapter 466 as modified in this Section 12.3B, Shakopee will defend, indemnify, and hold the Watershed District, Prior Lake, the SMSC, and their respective elected and appointed officials, employees, and agents harmless from Claims arising out of or in connection with Shakopee’s Public Service Activities or with any trail or underground utility placed in an Outlet Channel easement as part of Shakopee’s Public Service Activities. Shakopee understands that under Minnesota Statutes Section 466.03, subd. 6e, Shakopee is not subject to tort liability for Claims arising out of or in connection with any trail placed in an Outlet Channel easement as part of Shakopee’s Public Service Activities or the Public Service Activities necessary to Design, Construct, Operate, and Maintain any trail. Nevertheless, for the purpose of the indemnity provided in this Section 12.3B only and up to the limits on liability established in Minnesota Statutes Chapter 466 only, Shakopee waives its sovereign immunity. Under no circumstances, however, will Shakopee be required to pay any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466 applicable to any one Project Cooperator. Claims may not be aggregated to exceed the statutory limits afforded by Minnesota Statutes Chapter 466.
12.4 SMSC Indemnification Of Watershed District, Prior Lake, And Shakopee
The SMSC will defend, indemnify, and hold the Watershed District, Shakopee, Prior Lake, and their respective elected and appointed officials, employees, and agents harmless from Claims arising out of or in connection with; any Operation, Maintenance, or Emergency Maintenance by the SMSC of the Outlet Channel; any Public Service Activity by the SMSC; or any failure by the SMSC to comply with this MOA’s Provisions. Under no circumstances, however, will the SMSC be required to pay any Claims from which Minnesota municipalities are immune under Minnesota Statutes Chapter 466 or any amounts in excess of the limits on liability for Minnesota municipalities established in Minnesota Statutes Chapter 466 applicable to any one Project Cooperator. Claims may not be aggregated to exceed the statutory limits afforded by Minnesota Statutes Chapter 466 and this Section 12.4.

12.5 Limitation On Liability Of Project Cooperators
Notwithstanding anything to the contrary in this MOA, under no circumstances will a Project Cooperator, including for the avoidance of doubt the SMSC, be required to pay on behalf of itself and the other Project Cooperators any amounts in excess of the limits on liability established in Minnesota Statutes Chapter 466 applicable to any one Project Cooperator. The limits of liability for some or all of the Project Cooperators may not be added together to aggregate or determine the maximum amount of liability for any Project Cooperator. The intent of this Section 12.5 is to impose a limited duty to defend and indemnify for Claims arising under this MOA subject to the limits of liability under Minnesota Statutes Chapter 466. The purpose of creating this duty to defend and indemnify is to simplify the defense of Claims by eliminating conflicts among defendants, and to permit Claims against multiple defendants from a single occurrence to be defended by a single attorney.

12.6 Insurance And Evidence Of Coverage
A. Insurance For Watershed District, Prior Lake, And Shakopee. The Watershed District, Prior Lake, and Shakopee will maintain liability coverage with the League of Minnesota Cities Insurance Trust ("LMCIT") under standard LMCIT liability coverage forms for at least the amount of the maximum limit of liability under Minnesota Statutes Section 466.04 for any number of claims arising out of a single
occurrence, as such limit may change during the term of this MOA. The coverage limit shall conform to Minnesota Statutes Section 466.04. Each Project Cooperator will name the other three Project Cooperators as additional insureds. If insurance cannot be obtained from the LMCIT, the Watershed District, Prior Lake, or Shakopee will maintain private liability insurance coverage as required for the SMSC in Section 12.6B.

B. Insurance For SMSC. The SMSC will maintain the following private liability insurance coverage through an insurance company licensed to do business in the State.

1. Commercial General Liability Coverage. The SMSC will maintain commercial general liability coverage with a limit of at least the amount of the maximum limit of liability under Minnesota Statutes Section 466.04 for any number of claims arising out of a single occurrence, as such limit may change during the term of this MOA. If this commercial general liability insurance contains a general aggregate limit, the SMSC will maintain a general aggregate limit of not less than twice the amount of coverage for each occurrence. The coverage limit shall change to conform to Minnesota Statutes Section 466.04. The commercial general liability insurance will cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury, advertising injury, and contractually-assumed liability. The SMSC will name the other three Project Cooperators as additional insureds.

2. Public Officials’ Errors And Omissions Insurance. The SMSC will maintain public officials’ errors and omissions or equivalent coverage, in a form acceptable to the Watershed District, with a limit of at least $1 million per occurrence, and, if this insurance contains an aggregate limit, an aggregate limit of not less than $2 million. The SMSC will name the other three Project Cooperators as additional insureds.

C. Evidence Of Coverage And Ongoing Coverage. Each Project Cooperator will provide the Watershed District with a certificate of insurance showing that the required coverages are in effect, and the Watershed District will provide the other
Project Cooperators with the same evidence. No Project Cooperator will allow the insurance required by this MOA to lapse, be canceled, be reduced in limits or coverage, not be renewed, be changed materially, or have restrictive modifications added during this MOA’s term. In the event any Project Cooperator fails to procure or maintain any insurance coverage required under this MOA, the Watershed District may buy such coverage on an annual basis and add the coverage cost to the next annual Operation And Maintenance Fund payment due from that Project Cooperator. If the Watershed District fails to procure or maintain any insurance coverage required under this MOA, any other Project Cooperator may buy such coverage on an annual basis and deduct the coverage cost from its next annual Operation And Maintenance Fund payment.

ARTICLE 13. DISPUTE RESOLUTION

13.1 Policy For Resolving Disputes
The Project Cooperators acknowledge that, if disputes arise over the interpretation of this MOA, or over the rights and obligations of the Project Cooperators under this MOA’s Provisions, such disputes will, in all likelihood, impinge on substantial rights affecting the health and safety of the persons and property of the citizens residing within their respective jurisdictions. If there are disputes among the Cooperators, the following dispute procedure will apply:

13.2 Procedure For Resolving Disputes
All disputes arising out of or in connection with this MOA will be resolved as follows.

A. Dispute Notice And Initial Meeting. If a dispute arises between two or more Project Cooperators, any Project Cooperator involved in the dispute may send notice of the dispute to all Project Cooperators specifying the nature of the dispute and the parties to the dispute. Within five days after delivery of notice, a meeting between the parties to the dispute (and any other Project Cooperator that wishes to attend) will be held to attempt in good faith to negotiate a resolution of the dispute.

B. Mediation. If the parties to the dispute fail to resolve the dispute after a meeting, or any additional meetings as the parties to the dispute mutually deem necessary, or if the parties to the dispute fail to meet within five days after delivery of the notice, the parties to the dispute will submit the dispute within five days thereafter to
mediation in accordance with Rule 114 of the Minnesota General Rules of Practice and bear equally the costs of the mediation. The parties to the dispute will participate in good faith in the mediation for a period of ten days, unless the parties to the dispute mutually extend the mediation period.

C. Binding Arbitration. If the parties to the dispute are not successful in resolving the dispute through mediation or if they fail to meet within the ten-day meeting period, then the dispute will be resolved by binding arbitration in accordance with Chapter 572, the Minnesota Civil Mediation Act, as amended, and the following conditions.

(1) Selection Of Arbitrator. The dispute will be heard by a single arbitrator selected as follows.

a. Within five days after the expiration of the ten-day period for mediation of the dispute (or after the expiration of a longer period if the mediation period has been extended by the parties to the dispute), each Project Cooperators will propose three potential arbitrators who meet the qualifications set forth in Section 14.2C(2) by personally serving three names with brief qualification statements on the other Project Cooperators. Any Project Cooperator that fails to propose three potential arbitrators as provided in this Section 142C(1)a waives its right to propose arbitrators.

b. Within five business days of the expiration of the deadline for proposing potential arbitrators, each Project Cooperator will personally serve on the other Project Cooperators a ranked list of all proposed arbitrators with a ranking of “1” indicating the highest or first choice, “2” the second choice, and so on for each potential arbitrator. On its list, each Project Cooperator may strike rather than rank one potential arbitrator. All persons so stricken will no longer be considered as an arbitrator for the dispute. Any Project Cooperator that fails to provide a ranked list as provided in this Section 14.2C(1)b waives its right to strike a potential arbitrator and to rank potential arbitrators.

c. Within two business days after the deadline for receiving the ranked lists, the Watershed District will combine the ranked lists properly served with the ranking for each non-struck potential arbitrator totaled. For example, a
potential arbitrator who receives a ranking of “1” from the Watershed District, “5” from Prior Lake, “2” from Shakopee, and “7” from the SMSC will receive a total ranking of “15.” The potential arbitrator with the lowest total ranking will be appointed as the arbitrator for the dispute. If the arbitrator so selected cannot serve, then the potential arbitrator with the next lowest score will be appointed.

d. In the case of any tie, then the tie will be broken by random draw conducted by the Watershed District.

(2) *Qualifications For Arbitrator.* The arbitrator must be impartial and independent. The arbitrator may be an attorney, engineer, government official, or other person who has at least five years of experience with drainage law, hydraulics, watersheds, water law, or watershed law. Following appointment, the arbitrator will serve subject to recusal by a majority of the parties for just cause or disability.

(3) *Challenge To Qualifications.* If a party wishes to challenge a potential arbitrator or a selected arbitrator as unqualified, the party must give notice of the challenge to the Watershed District stating the reasons the potential or selected arbitrator is unqualified. Within five business days after the notice is effective the Watershed District will convene the three individuals designated under Section 11.1A to serve as meeting representatives from the three parties who did not propose that person as a potential arbitrator to decide by majority vote whether the person is qualified. A potential arbitrator deemed unqualified will no longer be considered as an arbitrator for the dispute. A selected arbitrator deemed unqualified will no longer be considered as an arbitrator for the dispute and will be replaced by the Watershed District with the potential arbitrator with the next lowest score as established under Section 14.2C(1).

(4) *Hearing Timing.* The hearing before the arbitrator will be held within ten days after the arbitrator’s selection, unless otherwise mutually agreed by the parties to the dispute.

(5) *Decision By Majority And Timing.* The arbitrator’s decision will be rendered
within 15 days after her or his selection, unless otherwise mutually agreed by the parties to the dispute.

(6) **Governing Law.** The law governing interpretation of this MOA in any arbitration will be the laws of the State.

(7) **Costs.** The parties to the dispute will bear equally the costs of the arbitrator and any other costs of the arbitration.

13.3 **Enforcement Of Judgment Or Order**

**A. Money Judgment Involving Watershed District, Prior Lake, Or Shakopee.** If the arbitrator’s decision under Section 14.2C involves a money judgment against the Watershed District, Prior Lake, SMSC or Shakopee, the respective Project Cooperator will pay the money judgment within 60 days after it is issued by the arbitrator. If the Watershed District, Prior Lake, or Shakopee fails to do so, the money judgment will be enforceable by any other Project Cooperator in the District Court of Scott County, Minnesota.

**B. Money Judgment Or Order Involving SMSC.** If the arbitrator’s decision under Section 14.2C involves a money judgment against the SMSC, the SMSC will pay the money judgment within 60 days after it is issued by the arbitrator.

**C. Non-monetary Judgment Involving Watershed District, Prior Lake, Or Shakopee.** If the arbitrator’s decision under Section 14.2C involves a non-monetary judgment against the Watershed District, Prior Lake, or Shakopee or a judgment about how to interpret this MOA, the respective Project Cooperator will immediately conform to the judgment. If the Watershed District, Prior Lake, or Shakopee fails to do so, the judgment will be enforceable by any other Project Cooperator in the District Court of Scott County, Minnesota.

**D. Non-monetary Judgment Involving SMSC.** If the arbitrator’s decision under Section 14.2C involves a judgment about how to interpret this MOA, the SMSC will conform to the judgment. If the SMSC fails to conform to the judgment and this failure causes damage to any other Project Cooperator, the failure will be deemed a default.

13.4 **Limited Sovereign Immunity Waiver**

The Project Cooperators acknowledge that the SMSC is a Federally recognized Indian
tribe and that the SMSC possesses sovereign immunity from unconsented suit and other legal proceedings, including arbitration. Despite the U.S. Supreme Court's decision in 
*C&L Enterprises, Inc. v. Citizen Band Potawatomi Tribe*, nothing in this Agreement shall be deemed to be an express or implied waiver of the SMSC's sovereign immunity, except as explicitly provided in this Section 14.4.

**A. Limited Waiver of Sovereign Immunity.** The SMSC hereby irrevocably waives its sovereign immunity, and all defenses based thereon, for the limited purpose of submitting to binding arbitration as provided in Section 14.2.

**B. Limitation on Recourse.** Notwithstanding any other Provisions herein, any arbitration award against the SMSC may only be enforced and collected in Tribal Court.

**C. Waiver of Exhaustion.** The SMSC expressly waives the application of the doctrines of exhaustion of tribal remedies, abstention, or comity and all other rights of the SMSC that might otherwise require that claims arising from this Agreement be heard in any of the SMSC courts (whether now or hereafter existing) or other SMSC forums (whether now or hereafter existing) prior to the commencement of arbitration.

**ARTICLE 14. TERM AND TERMINATION**

The term of this MOA is perpetual, or until otherwise expressly terminated by a unanimous vote of the Project Cooperators. The Watershed District's right to release 65 cfs through the Outlet Structure and the rights of other Project Cooperators to drain areas tributary to the Outlet Channel as described in Table 1 at the Maximum Average Drainage Rates described in Table 2 will survive this MOA's termination. Any termination will be recorded in the office of the Scott County Recorder.

**ARTICLE 15. DISTRIBUTION OF PROPERTY UPON TERMINATION**

15.1 Distribution Of Property Generally

Upon this MOA's termination, all personal property acquired as a result of this MOA will be returned to the contributing Project Cooperator. And all monies remaining in the Operation And Maintenance Fund, or the Emergency Maintenance Fund will be
returned to the Project Cooperators according to the cost-share allocation in Section 10.1.

15.2 Conveyance Of Title To Easements Outside The Watershed District

A. Conveyance To Shakopee. Upon this MOA’s termination, the Watershed District will convey to Shakopee, all of its right, title, and interest in that portion of the Outlet Channel lying outside of the legal boundaries of the Watershed District, east of Pike Lake Trail or north of Scott County Road 16 within the municipal limits of Shakopee, subject to the rights of the Watershed District and other Project Cooperators in Article 15.

B. Conveyance To SMSC. Upon this MOA’s termination, the Watershed District will convey to the SMSC, all of its right, title, and interest in that portion of the Outlet Channel lying outside of the legal boundary of the Watershed District, and lying within either Trust Land or Fee Land, subject to the rights of the Watershed District and other Project Cooperators in Article 15.

ARTICLE 16. GENERAL PROVISIONS

16.1 Counterparts

This MOA may be signed in separate counterparts, and the counterparts, taken together, shall constitute a single agreement.

16.2 Entire Agreement, Amendment, And Waiver

This MOA embodies the entire agreement and understanding of the Project Cooperators regarding the subject matter of this MOA and all prior agreements, representations, statements, and understandings, oral and written, are merged in this MOA by this Section 17.2. This MOA may not be altered, amended, modified, or supplemented except in a writing signed by the Project Cooperators, which will be effective from and after the date that it is signed by all the Project Cooperators if an effective date is not specified. No MOA Provisions is waived unless done so in writing and signed by the Project Cooperator against whom such waiver is asserted.

16.3 Notices

A. Written Notice Required. Except as otherwise specifically provided in this MOA,
all notices, demands, and communications required or provided to be given under this MOA will be in writing and will be directed as follows:

If to Watershed District:  Prior Lake–Spring Lake Watershed District  
  Attn:  District Administrator  
  4646 Dakota Street SE  
  Prior Lake, MN  55372

If to Prior Lake:  City of Prior Lake  
  Attn:  City Manager  
  4646 Dakota Street SE  
  Prior Lake, MN  55372

If to Shakopee:  City of Shakopee  
  Attn:  City Administrator  
  129 South Holmes Street  
  Shakopee, MN  55379

If to the SMSC:  Shakopee Mdewakanton Sioux Community  
  Attn:  Chairman  
  2330 Sioux Trail NW  
  Prior Lake, MN  55372

B. How Notices May Be Delivered. Except when personal service is required in this MOA, notices may be:

(1) Delivered personally;
(2) Sent by nationally recognized overnight courier; or
(3) Sent by first class, certified United States Mail, return receipt requested, postage prepaid.

C. When Notices Are Effective. Notices are effective:

(1) On receipt if delivered personally;
(2) On the next business day if delivered by overnight courier; or
(3) On the date shown on the receipt if mailed, unless delivery is refused or delayed by the addressee, in which event they are deemed delivered on the third business day following deposit in the United States Mail.

D. Changes In Notice Address. A Project Cooperator may change the address to which notice will be delivered by notice given to all Project Cooperators. No
Project Cooperator may require notice to be delivered to more than two addresses.

16.4 No Third Party Beneficiaries
Except as otherwise specifically provided in this MOA, no rights, privileges, or immunities of any Project Cooperator under this MOA will inure to the benefit of any third-party, nor will any third-party be deemed to be a beneficiary of any of this MOA’s Provisions.

165 Successors And Assigns
This MOA binds and inures to the benefit of the legal successors and assigns of the Project Cooperators.

SIGNED by the Watershed District, Prior Lake, Shakopee, and the SMSC to go into force on the Approval Date as of the Effective Date.

[THE REST OF THIS PAGE LEFT BLANK INTENTIONALLY.]
MEMORANDUM OF AGREEMENT
SIGNATURE PAGE FOR
PRIOR LAKE–SPRING LAKE WATERSHED DISTRICT

PRIOR LAKE–SPRING LAKE WATERSHED DISTRICT

By: ________________________________
     Mike Myser, President

By: ________________________________
     Bruce Loney, Secretary

STATE OF MINNESOTA )
    ) ss
COUNTY OF SCOTT )
    
On this __ day of July __________, 2019, the foregoing Memorandum of Agreement was acknowledged before me by Mike Myser and Bruce Loney, the President and Secretary respectively, of the Prior Lake–Spring Lake Watershed District, a Minnesota political subdivision, on behalf of the District.

______________________________
Amy A. Tucci
Notary Public

AMY A Tucci
Notary Public
State of Minnesota
My Commission Expires
January 31, 2020
MEMORANDUM OF AGREEMENT
SIGNATURE PAGE FOR
CITY OF PRIOR LAKE

CITY OF PRIOR LAKE
By: [Signature]
Kirt Briggs, Mayor

By: [Signature]
Michael Plante, City Manager

STATE OF MINNESOTA )
COUNTY OF SCOTT ) ss

On this 17th day of June, 2019, the foregoing Memorandum of Agreement was acknowledged before me by Kirt Briggs and Michael Plante, the Mayor and City Manager respectively, of the City of Prior Lake, a Minnesota municipal corporation, on behalf of the City.

[Notary Public Stamp]
Notary Public
MEMORANDUM OF AGREEMENT
SIGNATURE PAGE FOR
CITY OF SHAKOPEE

CITY OF SHAKOPEE

By: ____________________________
   Bill Mars, Mayor

By: ____________________________
   Bill Reynolds, City Administrator

STATE OF MINNESOTA )
 ) ss
COUNTY OF SCOTT )

On this ______ day of ________, 2019, the foregoing Memorandum of
Agreement was acknowledged before me by Bill Mars, and Bill Reynolds, the Mayor and City
Administrator respectively, of the City of Shakopee, a Minnesota municipal corporation, on behalf of
the City.

HEIDI N. EMERSON
NOTARY PUBLIC - MINNESOTA
My Commission Expires Jan. 31, 2024

Notary Public

Memorandum of Agreement For Use, Operation, And
Maintenance Of The Prior Lake Outlet Channel And Outlet Structure
MEMORANDUM OF AGREEMENT
SIGNATURE PAGE FOR
SHAKOPEE MDEWAKANTON SIOUX COMMUNITY

SHAKOPEE MDEWAKANTON SIOUX COMMUNITY

By: Charles Vig, Chairman

By: Rebecca Crooks-Stratton, Secretary/Treasurer

STATE OF MINNESOTA )
COUNTY OF SCOTT ) ss

On this 15th day of May, 2019, the foregoing Memorandum of Agreement was acknowledge before me by Charles Vig and Rebecca Crooks-Stratton, the Chairman and Secretary/Treasurer respectively, of the Shakopee Mdewakanton Sioux Community, a Federally recognized Indian tribe, on behalf of the Community.

SARA L. DOBESI
NOTARY PUBLIC - MINNESOTA
MY COMMISSION EXPIRES 01/31/24

Notary Public
Exhibit A – Outlet Channel Map

Note that there is no defined channel through Dean Lake, Pike Lake or Jeffers Ponds. The channel centerline through these water bodies is only provided for stationing purposes.

Legend
- Prior Lake Outlet Channel
- Roads
- Public Waters
- PLSLWD Boundary
- Segment Boundary

Memorandum of Agreement For Use, Operation, And Maintenance Of
The Prior Lake Outlet Channel And Outlet Structure
Exhibit C – Projected Average Discharge Rate Calculation Formula and Example Calculations

1. Calculation Formula

Projected Average Discharge Rate = \[ \sum \left( \frac{A_{ND}}{T_{AND}} \right) \times \text{Max } D_{ND} \]

Where:
- \( A_{ND} \) = acres (i.e. size) of an individual new development
- \( T_{AND} \) = total acres of all new development after the MOA effective date
- \( \text{Max } D_{ND} \) = Projected Discharge Rate for the 100-Year Rainfall Event, in cfs/acre, for each new development

2. Example Calculations

2.1 Scenario:

Assume that Outlet Channel Segment 2 has a drainage area of 260 acres, all within Prior Lake. A total of 60 acres was developed prior to the MOA Effective Date, and the remaining 200 acres are developed over a three-year period following the MOA Effective Date, as follows:

- Year 1: 50 acres of commercial development at a Projected Discharge Rate of 0.5 cfs/acre.
- Year 2: 100 acres of low-density residential development at a Projected Discharge Rate of 0.125 cfs/acre; and 25 acres of a development that existed prior to the MOA Effective Date is redeveloped.
- Year 3: 50 acres of medium-density residential development at a Projected Discharge Rate of 0.25 cfs/acre.

2.2 Background Information:

- Prior Lake Maximum Average Discharge Rate (from MOA Table 2): 0.25 cfs/acre
- Projected Discharge Rate of an existing development: 0.64 cfs/acre

2.3 Annual Certification:

Given the assumptions and background information presented above, Prior Lake would complete its annual certification for Years 1, 2, and 3 following the MOA Effective Date as follows:
A. **Year 1:**

1. Prior Lake would report acres of land developed before the MOA Effective Date, land developed after the MOA Effective Date, and undeveloped land as follows:
   - Developed area prior to MOA: 60 acres
   - Developed area after MOA: 50 acres
   - Undeveloped area: 150 acres

2. Prior Lake would report that no land was redeveloped in Year 1.

3. Prior Lake would present the Projected Average Discharge Rate for new development as follows:

   \[
   \text{Projected Average Discharge Rate} = \sum \left( \left( \frac{A_{ND}}{T_{AND}} \right) \times \text{Max } D_{ND} \right)
   \]

   \[
   = \left( \frac{50 \text{ acres in Year 1}}{150 \text{ acres total}} \right) \times 0.5 \text{ cfs/acre} = 0.5 \text{ cfs/acre}
   \]

4. Prior Lake would show how it plans to manage future development on the remaining 150 acres of undeveloped land in this Outlet Channel segment to meet its Maximum Average Discharge Rate of 0.25 cfs/acre.

B. **Year 2:**

1. Prior Lake would report the acres of land developed before the MOA Effective Date, land developed after the MOA Effective Date, and undeveloped land as follows:
   - Developed area prior to MOA: 60 acres
   - Developed area after MOA: 150 acres (50 acres in Year 1 + 100 acres in Year 2)
   - Undeveloped area: 50 acres

2. Prior Lake would note that 25 acres of developed land was redeveloped. Prior Lake would show that the Projected Discharge Rate of the redeveloped land is equal to or less than the Projected Discharge Rate of the developed condition that existed on the MOA Effective Date (that is, 0.64 cfs/acre), or if the Projected Discharge Rate of the redeveloped land exceeded 0.64 cfs/acre, Prior Lake would show how that additional rate was offset by a reduction elsewhere in the Segment 2 tributary drainage area.

3. Prior Lake would present the Projected Average Discharge rate of the new development since the MOA Effective Date as follows:

   \[
   \text{Projected Average Discharge Rate} = \sum \left( \left( \frac{A_{ND}}{T_{AND}} \right) \times \text{Max } D_{ND} \right)
   \]

   \[
   = \left( \frac{50 \text{ acres in Year 1}}{150 \text{ acres total}} \right) \times 0.5 \text{ cfs/acre} + \\
   \left( \frac{100 \text{ acres in Year 2}}{150 \text{ acres total}} \right) \times 0.125 \text{ cfs/acre} = 0.25 \text{ cfs/acre}
   \]
(4) Prior Lake would show how it plans to manage future development on the remaining 50 acres of undeveloped land in this segment to meet its Maximum Average Discharge Rate of 0.25 cfs/acre.

C. **Year 3:**

(1) Prior Lake would report the acres of land developed before the MOA Effective Date, land developed after the MOA Effective Date, and undeveloped land as follows:

- Developed area prior to MOA: 60 acres (25 acres redeveloped in Year 2)
- Developed area after MOA: 200 acres (50 acres Year 1 + 100 acres in Year 2 + 50 acres in Year 3)
- Undeveloped area: 0 acres

(2) Prior Lake would report that no land was redeveloped in Year 3.

(3) Prior Lake would present the Projected Average Discharge rate of the new development since the MOA Effective Date as follows:

\[
\text{Projected Average Discharge Rate} = \sum [((A_{ND}/T_{ND}) \times \text{Max } D_{ND})]
\]

\[
= [(50 \text{ acres in Year 1}/200 \text{ acres total}) \times 0.5 \text{ cfs/acre}] +
\]

\[(100 \text{ acres in Year 2}/200 \text{ acres total}) \times 0.125 \text{ cfs/acre}] +
\]

\[(50 \text{ acres in Year 3}/200 \text{ acres total}) \times 0.25 \text{ cfs/acre}] = 0.25 \text{ cfs/acre}
\]

(4) Prior Lake would note that no new development will occur in this segment.

D. **After Year 3:**

After Year 3, Prior Lake's future annual certifications would consist of reporting on any redevelopment that occurs and demonstrating that the Projected Discharge Rate of the redevelopment is equal to or less than the previous developed condition.
Exhibit D – Calculation Method for Cost-Share Allocation

The Outlet Channel cost-share allocation in MOA Table 4 is calculated for each Outlet Channel segment as follows (see Table F-2 below for the column references and calculation results):

**Step 1:** The cumulative land transfers that have occurred between Project Cooperators to date are added to each Project Cooperator's Original Tributary Drainage Area within each Outlet Channel segment (Column A) and the result is recorded as the Updated Tributary Drainage Area (Column B).

**Step 2:** Each Project Cooperator’s Maximum Average Discharge Rate from MOA Table 2 (Column C) and Duration Factor from MOA Table F-1 (Column D) are multiplied and the result is recorded as the Maximum Average Discharge Volume (Column E).

**Step 3:** The original tributary drainage area for each Project Cooperator in each Outlet Channel segment from MOA Table 1 (Column A) is multiplied by the Project Cooperator’s Maximum Average Discharge Volume (Column E) calculated in Step 2. The result is preliminarily recorded as the Project Cooperator’s Segment Discharge (Column F).

**Step 4:** The change in tributary drainage area resulting from cumulative land transfers between the Project Cooperators is calculated (Column B minus Column A).

**Step 5:** If the cumulative land transfers within an Outlet Channel segment have resulted in a decrease in tributary area for one of the Project Cooperators, then the absolute value of the result from Step 4 is multiplied by the Project Cooperator’s Maximum Average Discharge Volume (Column E), and the result (called the Change in Segment Discharge) is subtracted from the Segment Discharge for that Project Cooperator that was recorded in Step 3. The result should be a decrease in Segment Discharge for that Project Cooperator.

**Step 6:** If the cumulative land transfers within an Outlet Channel segment have resulted in an increase in tributary area for one of the Project Cooperators, then the sum of all Changes in Segment Discharge calculated in Step 5 are added to the Segment Discharge for that Project Cooperator that was recorded in Step 3. The result should be an increase in Segment Discharge for that Project Cooperator.

**Step 7:** The Discharge From Upstream (Column G) is calculated as the cumulative flow in all upstream Outlet Channel Segments (from Column F).

**Step 8:** The Total Segment Flow (Column H) is calculated as the Segment Discharge (Column F) plus the Discharge From Upstream (Column G). The Total Segment Flow for the Watershed District should be manually assigned as 650 cfs-days in all Outlet Channel segments.

**Step 9:** The % of Total Segment Flow is calculated as the proportion of Total Segment Flow attributed to each Project Cooperator within each Outlet Channel segment. These are the values that are used to update the cost-share allocations.
### Table D-1: Duration Factors for discharge to Outlet Channel segments

<table>
<thead>
<tr>
<th>Project Cooperator</th>
<th>Duration Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Watershed District</td>
<td>10.0 days</td>
</tr>
<tr>
<td>Prior Lake</td>
<td>0.5 days</td>
</tr>
<tr>
<td>Shakopee: south (upstream) of Dean Lake, excluding 124.61 acres directly tributary to Outlet Channel Segment 5 (i.e. Segment 5a)</td>
<td>2.0 days</td>
</tr>
<tr>
<td>Shakopee: north (downstream) of Dean Lake, including 124.61 acres directly tributary to Outlet Channel Segment 5 (i.e. Segment 5b)</td>
<td>1.0 days</td>
</tr>
<tr>
<td>SMSC</td>
<td>2.0 days</td>
</tr>
<tr>
<td>Outlet Channel Segment</td>
<td>Project Cooperators</td>
</tr>
<tr>
<td>------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td></td>
<td>Original Tributary Drainage Area</td>
</tr>
<tr>
<td>1</td>
<td>PLSLWD</td>
</tr>
<tr>
<td></td>
<td>Prior Lake</td>
</tr>
<tr>
<td></td>
<td>Shakopee</td>
</tr>
<tr>
<td></td>
<td>SMSC</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>2</td>
<td>PLSLWD</td>
</tr>
<tr>
<td></td>
<td>Prior Lake</td>
</tr>
<tr>
<td></td>
<td>Shakopee</td>
</tr>
<tr>
<td></td>
<td>SMSC</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>3</td>
<td>PLSLWD</td>
</tr>
<tr>
<td></td>
<td>Prior Lake</td>
</tr>
<tr>
<td></td>
<td>Shakopee</td>
</tr>
<tr>
<td></td>
<td>SMSC</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>4</td>
<td>PLSLWD</td>
</tr>
<tr>
<td></td>
<td>Prior Lake</td>
</tr>
<tr>
<td></td>
<td>Shakopee</td>
</tr>
<tr>
<td></td>
<td>SMSC</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td>PLSWD</td>
</tr>
<tr>
<td>---</td>
<td>-------</td>
</tr>
<tr>
<td>5a</td>
<td>Prior Lake</td>
</tr>
<tr>
<td></td>
<td>Shakopee</td>
</tr>
<tr>
<td></td>
<td>SMSC</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>5b</td>
<td>PLSWD</td>
</tr>
<tr>
<td></td>
<td>Prior Lake</td>
</tr>
<tr>
<td></td>
<td>Shakopee</td>
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<tr>
<td></td>
<td>SMSC</td>
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<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>6</td>
<td>PLSWD</td>
</tr>
<tr>
<td></td>
<td>Prior Lake</td>
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<tr>
<td></td>
<td>Shakopee</td>
</tr>
<tr>
<td></td>
<td>SMSC</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>7</td>
<td>PLSWD</td>
</tr>
<tr>
<td></td>
<td>Prior Lake</td>
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<td></td>
<td>Shakopee</td>
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<td></td>
<td>SMSC</td>
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<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>8</td>
<td>PLSWD</td>
</tr>
<tr>
<td></td>
<td>Prior Lake</td>
</tr>
<tr>
<td></td>
<td>Shakopee</td>
</tr>
<tr>
<td></td>
<td>SMSC</td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

Memorandum of Agreement for Use, Operation, and Maintenance of The Prior Lake Outlet Channel and Outlet Structure
Exhibit E – Drainage Area Change Recalculation Example

1. Scenario:

The SMSC purchases 80 acres of land in Prior Lake that is tributary to Outlet Channel Segment 4.

2. Background Information:

Size of Tributary Drainage Area Change: 80 acres

SMSC Tributary Drainage Area in Segment 4 prior to land transfer: 2,140.7 acres
Prior Lake Tributary Drainage Area in Segment 4 prior to land transfer: 1,055.7 acres

3. Step-by-Step Recalculation Example:

Step 1: The Updated Tributary Drainage Areas are calculated:

<table>
<thead>
<tr>
<th></th>
<th>SMSC</th>
<th>Prior Lake</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,140.7 acres + 80 acres = 2,220.7 acres</td>
<td>1,055.7 acres - 80 acres = 975.7 acres</td>
</tr>
</tbody>
</table>

Step 2: The Maximum Average Discharge Volumes are calculated for all Project Cooperators:

<table>
<thead>
<tr>
<th></th>
<th>Prior Lake</th>
<th>Shakopee</th>
<th>SMSC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.25 cfs/acre * 0.5 days = 0.125 cfs-days/acre</td>
<td>0.1 cfs/acre * 2 days = 0.2 cfs-days/acre</td>
<td>0.05 cfs/acre * 2 days = 0.1 cfs-days/acre</td>
</tr>
</tbody>
</table>

Step 3: The original Segment Discharges are calculated for all Project Cooperators:

<table>
<thead>
<tr>
<th></th>
<th>Prior Lake</th>
<th>Shakopee</th>
<th>SMSC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,055.7 acres * 0.125 cfs-days/acre = 132.0 cfs-days</td>
<td>1,748.7 acres * 0.2 cfs-days/acre = 349.7 cfs-days</td>
<td>2,140.7 acres * 0.1 cfs-days/acre = 214.1 cfs-days</td>
</tr>
</tbody>
</table>

Step 4: The cumulative change in tributary drainage area is calculated for all Project Cooperators:

<table>
<thead>
<tr>
<th></th>
<th>Prior Lake</th>
<th>Shakopee</th>
<th>SMSC</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>975.7 acres – 1,055.7 acres = -80 acres</td>
<td>1,748.7 acres – 1,748.7 acres = 0 acres</td>
<td>2,220.7 acres – 2,140.7 acres = 80 acres</td>
</tr>
</tbody>
</table>

Step 5: The cumulative changes for Prior Lake is negative, so Segment Discharge is decreased:

<table>
<thead>
<tr>
<th></th>
<th>Prior Lake</th>
<th>Shakopee</th>
</tr>
</thead>
<tbody>
<tr>
<td>[to SMSC]</td>
<td>132.0 cfs-days</td>
<td>349.7 cfs-days</td>
</tr>
<tr>
<td></td>
<td>- (80 acres * 0.125 cfs-days/acre)</td>
<td>- (0 acres * 0.2 cfs-days/acre)</td>
</tr>
<tr>
<td></td>
<td>122.0 cfs-days</td>
<td>349.7 cfs-days</td>
</tr>
</tbody>
</table>

Memorandum of Agreement For Use, Operation, And Maintenance Of
The Prior Lake Outlet Channel And Outlet Structure

E-1
Step 6: The cumulative change for SMSC is positive, so Segment Discharge is increased:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SMSC</td>
<td>214.1 cfs-days</td>
<td>+ (80 acres * 0.125 cfs-days/acre)</td>
</tr>
<tr>
<td>[from Prior Lake]</td>
<td>+ (0 acres * 0.2 cfs-days/acre)</td>
<td>= 224.1 cfs-days</td>
</tr>
</tbody>
</table>

Step 7: The Discharge From Upstream is calculated as the Total Segment Flow from Segment 3:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PLSLWD</td>
<td>650.0 cfs-days</td>
<td></td>
</tr>
<tr>
<td>Prior Lake</td>
<td>234.4 cfs-days</td>
<td></td>
</tr>
<tr>
<td>Shakopee</td>
<td>2.9 cfs-days</td>
<td></td>
</tr>
<tr>
<td>SMSC</td>
<td>14.5 cfs-days</td>
<td></td>
</tr>
</tbody>
</table>

Step 8: The Total Segment Flow is calculated:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PLSLWD</td>
<td>650 cfs-days</td>
<td></td>
</tr>
<tr>
<td>Prior Lake</td>
<td>122.0 cfs-days + 234.4 cfs-days = 356.3 cfs-days</td>
<td></td>
</tr>
<tr>
<td>Shakopee</td>
<td>349.7 cfs-days + 2.9 cfs-days = 352.7 cfs-days</td>
<td></td>
</tr>
<tr>
<td>SMSC</td>
<td>224.1 cfs-days + 14.5 cfs-days = 238.6 cfs-days</td>
<td></td>
</tr>
<tr>
<td>Segment 4 Total</td>
<td>1,597.6 cfs-days</td>
<td></td>
</tr>
</tbody>
</table>

Step 9: The % of Total Segment Flow is calculated:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PLSLWD</td>
<td>650 / 1,597.6 = 40.7%</td>
<td>(unchanged)</td>
</tr>
<tr>
<td>Prior Lake</td>
<td>356.3 / 1,597.6 = 22.3%</td>
<td>(decreased by 0.6%)</td>
</tr>
<tr>
<td>Shakopee</td>
<td>352.7 / 1,597.6 = 22.1%</td>
<td>(unchanged)</td>
</tr>
<tr>
<td>SMSC</td>
<td>238.6 / 1,597.6 = 14.9%</td>
<td>(increased by 0.6%)</td>
</tr>
</tbody>
</table>

The values for the remaining downstream Outlet Channel segments will also need to be recomputed, and the resulting percentages can be used to allocate Outlet Channel maintenance costs for each segment.