



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## AGENDA

Tuesday, May 9, 2023

**6:00 PM**

Council Chambers  
Prior Lake City Hall

### BOARD OF MANAGERS:

**Bruce Loney, President; Frank Boyles, Vice President;  
Christian Morkeberg, Treasurer; Ben Burnett, Secretary; Matt Tofanelli, Manager**

Note: Individuals with items on the agenda or who wish to speak to the Board are encouraged to be in attendance when the meeting is called to order.

### Closed Board Meeting 3:30 PM – *Parkview Conference Room*

- District Administrator Annual Review (Closed Meeting)

### Board Workshop 4:15 PM – *Parkview Conference Room*

- |                |     |   |
|----------------|-----|---|
| 4:15 – 4:45 PM | W.1 | Scott County Clean Water Education Program (Troy Kuphal & Shelby Roberts) |
| 4:45 – 5:10 PM | W.2 | PLOC Pipe Lining – Preliminary Estimate of Probable Cost (Brad Reifsteck) |
| 5:10 – 5:20 PM | W.3 | 2024 Budget Process (Joni Giese)  |
| 5:20 – 5:30 PM | W.4 | Ferric Chloride Facility and Site Tour (Emily Dick)                       |
| 5:30 – 5:35 PM | W.5 | Staffing Update (Joni Giese)  |
| 5:35 – 5:50 PM | W.6 | Liaison Updates   |
|                |     | ○ District Partners in Attendance   |
|                |     | ○ Managers' Summary of other Meetings Attended                            |

6:00 – 6:02 PM 1.0 **BOARD MEETING CALL TO ORDER & PLEDGE OF ALLEGIANCE**

6:02 – 6:07 PM 2.0 **PUBLIC COMMENT**

If anyone wishes to address the Board of Managers on an item not on the agenda or on the consent agenda, please come forward at this time. Go up to the podium, turn on the microphone and state your name and address. (The Chair may limit your time for commenting.)

6:07 – 6:10 PM 3.0 **APPROVAL OF AGENDA** (Additions/Corrections/Deletions)

6:10 – 7:10 PM 4.0 **OTHER OLD/NEW BUSINESS**

- |     |  |
|-----|--|
| 4.1 | Programs & Projects Update (Discussion Only)                   |
|     | ○ Tier II Lakes: Water Quality Report Cards                    |
| 4.2 | Acceptance of 2021 Annual Audit: Andy Berg, Abdo (Vote)        |
| 4.3 | Ferric Chloride System Assessment: Consultant Selection (Vote) |
| 4.4 | Cost Share Projects Authorization (Vote)                       |
| 4.5 | Revised Aquatic Plant Management Policy (Vote)                 |
| 4.6 | Minnesota Watersheds Membership (Vote)                         |

7:10 – 7:15 PM    5.0    **TREASURER’S REPORT**

5.1    Monthly Financial Reports (Discussion Only)

- Financial Report
- Treasurers Report
- Cash Flow Projections

5.2    Quarterly Report of Investment Activities (Discussion Only)

7:15 – 7:20 PM    6.0    **CONSENT AGENDA**

The consent agenda is considered as one item of business. It consists of routine administrative items or items not requiring discussion. Items can be removed from the consent agenda at the request of the Board member, staff member, or a member of the audience. Please state which item or items you wish to remove for separate discussion.

6.1    Meeting Minutes – April 11, 2023, Board Workshop

6.2    Meeting Minutes – April 11, 2023, Board Meeting

6.3    Meeting Minutes – March 30, 2023, CAC Meeting

6.4    Claims List & Visa Expenditures Summary

6.5    Hunters Pass Development Agreement and Conservation Easement

6.6    Stemmers Ridge Conservation Easement Amendment

6.7    CAC Chair, Amended 2023 Meeting Schedule, and Operating Guidelines

6.8    National Association of State Procurement Officials (NASPO) Purchasing Card Program

7:20 – 7:25 PM    7.0    **UPCOMING MEETING/EVENT SCHEDULE:**

- PLOC Cooperators Quarterly Meeting, Thursday, May 18, 2023, 12:00 pm (Prior Lake City Hall – Parkview Conference Room)
- CAC Meeting, Thursday, May 25, 2023, 6:00 pm (Prior Lake City Hall – Wagon Bridge Conference Room)
- Board of Managers Workshop, Tuesday, June 13, 2023, 4:00 pm (Prior Lake City Hall – Parkview Conference Room)
- Board of Managers Meeting, Tuesday, June 13, 2023, 6:00 pm (Prior Lake City Hall – Council Chambers)

7:25 PM    8.0    **ADJOURNMENT**



## MAY 2023 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<b>Sutton Lake Outlet and Lake Management Plan</b> <i>Project Lead: Emily</i>	<b>Lake Management Plan</b> <ul style="list-style-type: none"> <li>Final Lake Management Plan was approved by Board of Managers at April Meeting.</li> </ul>	<b>Lake Management Plan</b> <ul style="list-style-type: none"> <li>Monitor effects of recent drought conditions to inform future drawdown.</li> </ul>
<b>Carp Management</b> <i>Rough Fish Management (Class 611)</i> <i>Project Lead: Jeff</i>	<ul style="list-style-type: none"> <li><b>Tracking &amp; Removals:</b> Many carp espionage submissions. PIT Tag stations installed. Testing wireless transmission of PIT data to aid in timely removals at a remote site. Tracked radio tagged carp on Spring and Upper Prior Lakes. Radio tracking results showed that carp were not aggregated.</li> <li><b>Barriers:</b> Installed push trap barrier at desilt pond. Cleaned FeCl barrier multiple times with high volume of water moving through CD13.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to track tagged carp</li> <li>Remove fish in open water with commercial netters before May 13.</li> <li>Prepare equipment for in-stream spawning removals.</li> <li>Bluegill stocking in springtime.</li> </ul>
<b>Ferric Chloride System Operations</b> <i>Project Lead: Jeff</i>	<ul style="list-style-type: none"> <li>Solicited proposal for a system update and lifetime assessment. Provided tour of system for interested consultant pool and responded to inquiries.</li> <li>Persistent troubleshooting of connection issues to datalogger and dosing equipment. Replaced pump head that was causing air buildup in lines. Pump is currently running on manual dosing vs automated.</li> <li>Sought out new vendors for Ferric Chloride solution and delivery after previous supplier discontinued accounts of our size.</li> <li>Submitted quarterly reporting.</li> <li>Conducted weekly required water quality monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>Seek approval from Board to contract with selected consulting firm and begin system assessment work.</li> <li>Arrange facility tour with Board of Managers and Citizen Advisory Committee.</li> <li>Continue weekly required monitoring as treatment occurs.</li> <li>Fix connection issues with equipment.</li> </ul>

## MAY 2023 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<p><b>Upper Watershed Projects</b>  <i>Buck Wetland, Sutton IESF, Swamp IESF, Buck Chemical Treatment, Ditch 13 Chemical Treatment, Spring Lake West IESF</i></p> <p><i>Project Lead: Emily</i></p>	<p><b>Buck Wetland Enhancements</b></p> <ul style="list-style-type: none"> <li>Finalized Buck Wetland Feasibility study at April Board meeting.</li> <li>Conducted follow-up work related to landowner meeting.</li> </ul> <p><b>Spring Lake West IESF/Wetland</b></p> <ul style="list-style-type: none"> <li>Conducted follow-up work related to landowner meeting.</li> <li>Requested update from Scott County on road right of way planning.</li> </ul> <p><b>Sutton Lake IESF</b></p> <ul style="list-style-type: none"> <li>Conducted follow-up to assess landowner interest.</li> </ul> <p><b>2023 WBIF Studies</b></p> <ul style="list-style-type: none"> <li>Held kick-off coordination meetings with both contractors.</li> <li>Distributed Fish Lake Management Plan Update (FLMPU) engagement schedule to landowners and stakeholders.</li> <li>Presented FLMPU project introduction at April 13<sup>th</sup> Spring Lake Township meeting.</li> <li>Met with Swamp Lake landowner to initiate discussions.</li> <li>Met with FLMPU Technical Advisory Committee to receive initial feedback on methodology.</li> <li>Met with Scott SWCD to coordinate soil sampling and surveying.</li> </ul> <p><b>Potential Flood Storage Projects</b></p> <ul style="list-style-type: none"> <li>Met with two landowners from Project 1 and continued to try and reach other landowner from Project 6.</li> <li>Continued project coordination on Project 5 with Scott SWCD.</li> <li>Met with Flood Study Technical Advisory Committee to inform process for future goal setting.</li> </ul> <p><b>PLOC Pipe Lining Assessment</b></p> <ul style="list-style-type: none"> <li>Kick-off meeting with selected contractor and site visit</li> </ul>	<p><b>Buck Wetland Enhancements</b></p> <ul style="list-style-type: none"> <li>Plan a follow-up meeting with landowner.</li> <li>Conduct water quality monitoring to inform project development.</li> </ul> <p><b>Spring Lake West IESF/Wetland</b></p> <ul style="list-style-type: none"> <li>Monitor progress on comprehensive plan amendment request to determine cost effectiveness of wetland project development.</li> <li>Continue IESF landowner outreach and follow-up.</li> <li>Coordinate with Scott County on road right of ways.</li> </ul> <p><b>Sutton Lake IESF</b></p> <ul style="list-style-type: none"> <li>Assess landowner willingness and site feasibility in determining next steps.</li> </ul> <p><b>2023 WBIF Studies</b></p> <ul style="list-style-type: none"> <li>Begin field work as soon as conditions are amenable.</li> <li>Continue outreach and coordination on both projects.</li> </ul> <p><b>Potential Flood Storage Projects</b></p> <ul style="list-style-type: none"> <li>Continue outreach to landowners of Project 6 and follow up on remaining questions for Project 1 landowners.</li> <li>Assess whether alternative projects should be considered if low landowner interest continues.</li> </ul> <p><b>PLOC Pipe Lining Assessment</b></p> <ul style="list-style-type: none"> <li>Present initial assessment materials to PLOC Cooperators on May 18</li> </ul>

## MAY 2023 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<b>Farmer-Led Council</b> <i>Project Lead: Emily</i>	<ul style="list-style-type: none"> <li>Met with Scott SWCD to discuss Lake Friendly Farm incentives and expected cost share budgets</li> </ul>	<ul style="list-style-type: none"> <li>Plan next FLC meeting for August.</li> <li>Continue to support and review FLC projects</li> </ul>
<b>Cost Share Incentives</b> <i>Project Lead: Emily</i>	<ul style="list-style-type: none"> <li>Met with SWCD on upcoming cost share projects</li> </ul>	<ul style="list-style-type: none"> <li>Review cost share applications with Scott SWCD as needed.</li> <li>Present non-traditional cost share project types for Board approval as applicable.</li> </ul>
<b>Website and Media</b> <i>Project Lead: Emily</i>	<ul style="list-style-type: none"> <li><b>Social Media</b> – posted on all social channels about: lake level, carp espionage, carp trapping and electrofishing, and ice out dates</li> <li>Worked with SCWEP to submit article on shoreline restoration workshop to SCENE</li> </ul>	<ul style="list-style-type: none"> <li>Continue writing posts and updates about projects on the website</li> <li>Continue updating Facebook, and Instagram about projects &amp; news</li> </ul>
<b>Citizen Advisory Committee</b> <i>Project Lead: Emily</i>	<ul style="list-style-type: none"> <li>April CAC meeting had discussion on ideal function of CAC and bylaw/operating guideline documents</li> </ul>	<ul style="list-style-type: none"> <li>Prepare for May 25<sup>th</sup> CAC meeting</li> <li>Recruit CAC members</li> <li>Elect CAC Vice Chair, if desired</li> </ul>
<b>Education Program</b> <i>Project Lead: Emily</i>	<ul style="list-style-type: none"> <li>Coordinated with SCWEP staff</li> <li>See Website and Media section</li> <li>Presented at Spring Lake Association annual meeting on April 23<sup>rd</sup></li> </ul>	<ul style="list-style-type: none"> <li>Continue coordination with SCWEP programs</li> </ul>
<b>Monitoring Program</b> <i>Project Lead: Jeff</i>	<ul style="list-style-type: none"> <li>Installed stream level and flow monitoring equipment.</li> <li>Installed lake level loggers. Connection between loggers and website graphs have been down all of April. This issue has been difficult as many residents and partners rely on our data collection and reporting to aid decision making.</li> <li>Begun bi-weekly stream chemistry monitoring.</li> </ul>	<ul style="list-style-type: none"> <li>Conduct bi-weekly stream chemistry monitoring.</li> <li>Continue working on solution to connect telemetry loggers, WISKI database, and website.</li> <li>Work on 2022 lake and stream reporting.</li> </ul>
<b>Aquatic Vegetation Management and Surveys</b> <i>Project Lead: Jeff</i>	<ul style="list-style-type: none"> <li>Submitted DNR AIS management permits</li> <li>Worked with DNR and Partners on current grant requirements</li> <li>Worked on aquatic plant management policy guidelines</li> </ul>	<ul style="list-style-type: none"> <li>Contract for curlyleaf treatments and continue to work through process.</li> </ul>
<b>AIS</b> <i>Project Lead: Shauna</i>	<ul style="list-style-type: none"> <li>Posted article on County AIS Plans</li> <li>Removed remaining I-LIDS infrastructure at Spring Lake boat launch</li> </ul>	<ul style="list-style-type: none"> <li>Post article on County AIS plans on social media.</li> <li>Continue coordinating boat inspections with DNR and contracted inspectors.</li> </ul>

## MAY 2023 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<b>Rules Revisions</b> <i>Project Lead: Joni</i>	<ul style="list-style-type: none"> <li>Sent draft equivalency agreements to LGUs for review.</li> <li>Met with City of Prior Lake to introduce staff to equivalency MOA process and discuss how to better integrate into plan review process.</li> </ul>	<ul style="list-style-type: none"> <li>Hold meeting with Scott County to receive comments on draft MOA and discuss how to better integrate into plan review process.</li> <li>Receive comments from City of Prior Lake on MOA.</li> <li>Manager approval of cost cap and stormwater implementation fund rates.</li> <li>Develop interim approach for City of Savage.</li> </ul>
<b>BMPs &amp; Easements</b> <i>Project Lead: Joni</i>	<ul style="list-style-type: none"> <li>Brought conservation easement amendment forward to Board approval.</li> <li>Met with Scott SWCD to transition outstanding conservation easement amendments work.</li> <li>Prepared Hunters Pass Development Agreement and Conservation Easement and brought forward to Board for approval.</li> </ul>	<ul style="list-style-type: none"> <li>Finalize outstanding in-progress easement amendments and send to landowner for review.</li> <li>Continue transition work with Scott SWCD. Hold field training session regarding easement inspections in early May.</li> </ul>
<b>Permitting</b> <i>Project Lead: Joni</i>	<ul style="list-style-type: none"> <li>Issued permit for Spring Lake Regional Park (22.02) for District Rules C &amp; E.</li> <li>Issued permit to City of Prior Lake for Fish Lake Road Phase 2 project (23.01).</li> <li>Attended preconstruction meeting for Spring Lake Regional Park project.</li> <li>Performing weekly construction site inspections.</li> <li>Continued permit task transition meetings with Scott SWCD.</li> </ul>	<ul style="list-style-type: none"> <li>Spring Lake Regional Park: secure and review soil samples test results before issuing permit for Rule D.</li> <li>Continue performing weekly construction site inspections.</li> <li>Continue permit task transition to Scott SWCD.</li> </ul>
<b>Planning Activities</b> <i>Project Lead: Joni</i>	<ul style="list-style-type: none"> <li>Working to advance SCALE Water Committee convening.</li> <li>Submitted 2022 Annual report to BWSR and DNR.</li> </ul>	<ul style="list-style-type: none"> <li>Continue participation in Lower MN East 1W1P Advisory Committee.</li> </ul>

## MAY 2023 PROGRAMS AND PROJECTS UPDATE

PROGRAM OR PROJECT	LAST MONTH'S STAFF ACTIVITIES	NEXT STEPS
<b>Outlet Channel Projects and Administration</b> <i>Project Lead: Emily/Jeff</i>	<ul style="list-style-type: none"> <li>Continued work on outlet structure monitoring equipment telemetry connections.</li> <li>WSB's proposal was selected for pipe lining work and Cooperators approved entering into an agreement at a Special Meeting March 21<sup>st</sup>.</li> <li>Held a kick off meeting with WSB to discuss project schedule and priorities.</li> <li>Coordinated with EOR for seasonal channel surveys to identify invasive vegetation and stability concerns.</li> <li>Reviewed quotes for invasive vegetation management.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work with WSB to complete design and engineering reports.</li> <li>Present draft/preliminary budget estimates and design for Board consideration May 9<sup>th</sup>.</li> <li>Present engineer reports and design at May 18<sup>th</sup> PLOC Cooperators meeting to seek approval to solicit bids for contractor.</li> <li>Complete contracting for invasive vegetation management.</li> <li>Survey pond depths in segment 5.</li> <li>Complete level logger installs.</li> </ul>
<b>General Administration</b> <i>Project Lead: Joni</i>	<ul style="list-style-type: none"> <li>Reviewed draft audit finding materials.</li> <li>Interviewed and made offers to one seasonal intern.</li> <li>Interviewed potential candidates for Water Resources Specialist I position.</li> <li>Issued RFP for District Website Redesign and answered proposer questions.</li> <li>Researched NASPO purchasing card program.</li> <li>Renewed commercial and workers compensation insurance.</li> <li>Prepared for District Administrator annual review.</li> <li>Reviewed District investment strategy with 4M representative.</li> <li>Attended and provided comment at Scott County Comprehensive Plan amendment public hearing.</li> </ul>	<ul style="list-style-type: none"> <li>Contingent on Board approval, enroll District in purchasing card program.</li> <li>Make offer to a candidate for Water Resources Specialist I position.</li> <li>Review District Website Redesign proposals and recommend contractor for board approval.</li> <li>Continue file archiving process.</li> <li>Prepare for and facilitate May 18 PLOC Cooperator meeting.</li> </ul>



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

**Subject |** 2022 Annual Financial Audit Acceptance

**Board Meeting Date |** May 9, 2023

**Item No: 4.2**

**Prepared By |** Joni Giese, District Administrator

**Attachment |** 2022 Executive Governance Summary  
2022 Annual Financial Report

**Action |** Motion to accept the 2022 Executive Governance Summary and 2022 Annual Financial Report and authorize staff to submit to BWSR and the State Auditor's Office.

## **Background**

PLSLWD retained Abdo to perform an audit on the District's financial statements for the year ended December 31, 2022. The audited financial statements must be submitted to the Board of Water and Soil Resources (BWSR) and the Minnesota State Auditor's Office within 180 days of the end of the District's fiscal year.

## **Discussion**

Andy Berg, a Partner with Abdo, will make a brief presentation regarding audit findings and the auditor's opinion.

## **Recommendation**

Accept the 2022 Executive Governance Summary and 2022 Annual Financial Report and authorize staff to submit to BWSR and the State Auditor's Office.





# Executive Governance Summary

## Prior Lake-Spring Lake Watershed District

Prior Lake, Minnesota

For the year ended December 31, 2022



### *Edina Office*

5201 Eden Avenue, Ste 250  
Edina, MN 55436  
P 952.835.9090

### *Mankato Office*

100 Warren Street, Ste 600  
Mankato, MN 56001  
P 507.625.2727

### *Scottsdale Office*

14500 N Northsight Blvd, Ste 233  
Scottsdale, AZ 85260  
P 480.864.5579



April 14, 2023

Board of Managers  
Prior Lake - Spring Lake Watershed District  
Prior Lake, Minnesota

We have audited the financial statements of the governmental activities and each major fund of the Prior Lake-Spring Lake Watershed District (the District), Prior Lake, Minnesota, for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 22, 2022. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or Minnesota statutes.



### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the year ended December 31, 2022. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were capital asset basis and depreciation on capital assets and the liability for the District's pensions.

- Management's estimate of depreciation is based on estimated useful lives of the capital assets. Depreciation is calculated using the straight-line method.
- Management's estimate of its pension liability is based on several factors including, but not limited to, anticipated investment return rate, retirement age for active employees, life expectancy, salary increases and form of annuity payment upon retirement.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole. The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit or the financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated April 14, 2023.



**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

We applied certain limited procedures to the required supplementary information (RSI) (Management's Discussion and Analysis, the Schedule of Employer's Share of the Net Pension Liability and the Schedule of Employer's Contributions), which is information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the introductory section, which accompanies the financial statements but is not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.





## Future Accounting Standard Changes

The following Governmental Accounting Standards Board (GASB) Statements have been issued and may have an impact on future District financial statements: <sup>(1)</sup>

### **GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements**

#### **Summary**

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

#### **Effective Date and Transition**

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

#### **How the Changes in This Statement Will Improve Accounting and Financial Reporting**

The requirements of this Statement will improve financial reporting by establishing the definitions of PPPs and APAs and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. That uniform guidance will provide more relevant and reliable information for financial statement users and create greater consistency in practice. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. The required disclosures will allow users to understand the scale and important aspects of a government's PPPs and evaluate a government's future obligations and assets resulting from PPPs.





## **Future Accounting Standard Changes (Continued)**

### **GASB Statement No. 96 - Subscription-Based Information Technology Arrangements**

#### **Summary**

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

Under this Statement, a government generally should recognize a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability. A government should recognize the subscription liability at the commencement of the subscription term, - which is when the subscription asset is placed into service. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

This Statement provides an exception for short-term SBITAs. Short-term SBITAs have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs should be recognized as outflows of resources.

This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

#### **Effective Date and Transition**

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

#### **How the Changes in This Statement Will Improve Accounting and Financial Reporting**

The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.





## Future Accounting Standard Changes (Continued)

### GASB Statement No. 98 - *The Annual Comprehensive Financial Report*

#### Summary

This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

#### Effective Date and Transition

The requirements of this Statement are effective for fiscal years ending after December 15, 2021. Earlier application is encouraged.

### GASB Statement No. 99 - *Omnibus 2022*

#### Summary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government





### Future Accounting Standard Changes (Continued)

- Clarification of provisions in Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- Terminology used in Statement 53 to refer to resource flows statements.

### Effective Date and Transition

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*.

### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements.

### GASB Statement No. 100 - *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*

#### Summary

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.





## Future Accounting Standard Changes (Continued)

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

## Effective Date and Transition

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

## How the Changes in This Statement Will Improve Accounting and Financial Reporting

The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections.

## GASB Statement No. 101 - *Compensated Absences*

### Summary

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.





### Future Accounting Standard Changes (Continued)

This Statement requires that a liability for certain types of compensated absences - including parental leave, military leave, and jury duty leave - not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

### Effective Date and Transition

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

### How the Changes in This Statement Will Improve Accounting and Financial Reporting

The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave.

The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

<sup>(1)</sup> Note. From GASB Pronouncements Summaries. Copyright 2022 by the Financial Accounting Foundation, 401 Merritt 7, Norwalk, CT 06856, USA, and is reproduced with permission.

\* \* \* \* \*

### Restriction on Use

This communication is intended solely for the information and use of the Board, management and the Minnesota Office of the State Auditor and is not intended and should not be used by anyone other than those specified parties.

Our audit would not necessarily disclose all weaknesses in the system because it was based on selected tests of the accounting records and related data. The comments and recommendations in the report are purely constructive in nature, and should be read in this context.

If you have any questions or wish to discuss any of the items contained in this letter, please feel free to contact us at your convenience. We wish to thank you for the continued opportunity to be of service and for the courtesy and cooperation extended to us by your staff.



**Abdo**  
Minneapolis, Minnesota  
April 14, 2023





# Annual Financial Report

## Prior Lake-Spring Lake Watershed District

Prior Lake, Minnesota

For the years ended December 31, 2022



### *Edina Office*

5201 Eden Avenue, Ste 250  
Edina, MN 55436  
P 952.835.9090

### *Mankato Office*

100 Warren Street, Ste 600  
Mankato, MN 56001  
P 507.625.2727

### *Scottsdale Office*

14500 N Northsight Blvd, Ste 233  
Scottsdale, AZ 85260  
P 480.864.5579

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

Prior Lake-Spring Lake Watershed District  
 Prior Lake, Minnesota  
 Annual Financial Report  
 Table of Contents  
 For the Year Ended December 31, 2022

	<u>Page No.</u>
<b>Introductory Section</b>	
Board of Managers and Appointed Officials	7
<b>Financial Section</b>	
Independent Auditor's Report	11
Management's Discussion and Analysis	15
<b>Basic Financial Statements</b>	
Government-wide Financial Statements	
Statement of Net Position	26
Statement of Activities	27
Fund Financial Statements	
Governmental Funds	
Balance Sheet	30
Reconciliation of the Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	33
General Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	34
Implementation Fund	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	35
Notes to the Financial Statements	37
<b>Required Supplementary Information</b>	
Schedule of Employer's Share of Public Employees Retirement Association Net Pension Liability - General Employees Retirement Fund	54
Schedule of Employer's Public Employees Retirement Association Contributions - General Employees Retirement Fund	54
Notes to the Required Supplementary Information - General Employee Retirement Fund	55
<b>Other Required Report</b>	
Independent Auditor's Report on Minnesota Legal Compliance	59

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

INTRODUCTORY SECTION

PRIOR LAKE - SPRING LAKE  
WATERSHED DISTRICT  
PRIOR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

THIS PAGE IS LEFT  
BLANK INTENTIONALLY



Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Board of Managers and Appointed Officials  
For the Year Ended December 31, 2022

**MANAGERS**

<u>Name</u>	<u>Title</u>
Bruce Loney	President
Christian Morkeberg	Treasurer
Ben Burnett	Secretary
Matt Tofanelli	Board Member
Frank Boyles	Vice President

**STAFF**

Joni Giese	District Administrator
Patty Dronen	Administrative Assistant
Emily Dick	Water Resources Project Manager
Jeff Anderson	Water Resources Coordinator
Shauna Capron	Water Resources Technician
Elizabeth Froden	Water Resources Specialist
Paul Nelson	Project Manager - Special Projects

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

FINANCIAL SECTION

PRIOR LAKE - SPRING LAKE  
WATERSHED DISTRICT  
PRIOR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

THIS PAGE IS LEFT  
BLANK INTENTIONALLY



## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Managers of the  
Prior Lake - Spring Lake Watershed District  
Prior Lake, Minnesota

### **Report on the Financial Statements**

#### **Opinions**

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of December 31, 2022, and the respective changes in financial position and the respective budgetary comparison for the General fund and Implementation fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

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

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

THIS PAGE IS LEFT  
BLANK INTENTIONALLY



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

#### **Other Matters**

##### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis starting on page 15 and the Schedule of Employer's Share of the Net Pension Liability, Schedule of Employer's Contributions, and the related note disclosures starting on page 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### **Other Information**

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

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



**Abdo**  
Minneapolis, Minnesota  
April 14, 2023



THIS PAGE IS LEFT  
BLANK INTENTIONALLY



## **Management's Discussion and Analysis**

As management of the Prior Lake - Spring Lake Watershed District (the District), Prior Lake, Minnesota, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with the financial statements, which follow this section.

### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$3,447,707 (net position). Because the District has a large amount of net position invested in capital assets and restricted for the Prior Lake outlet channel, the unrestricted net position is \$2,038,122.
- The District's total net position increased by \$599,763.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,573,578, an increase of \$656,094 in comparison with the prior year. A significant portion of this increase was due to program costs in the Implementation fund.
- The ending General fund balance is \$307,680, with \$297,480 unassigned.
- The District's total long-term liabilities increased \$1,204. This was due to an increase in compensated absences.

## Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The financial statements include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of combining and individual fund financial statements and schedules that further explains and supports the information in the financial statements. Figure 1 shows how the required parts of this annual report are arranged and relate to one another.

**Figure 1**  
**Required Components of the**  
**District's Annual Financial Report**

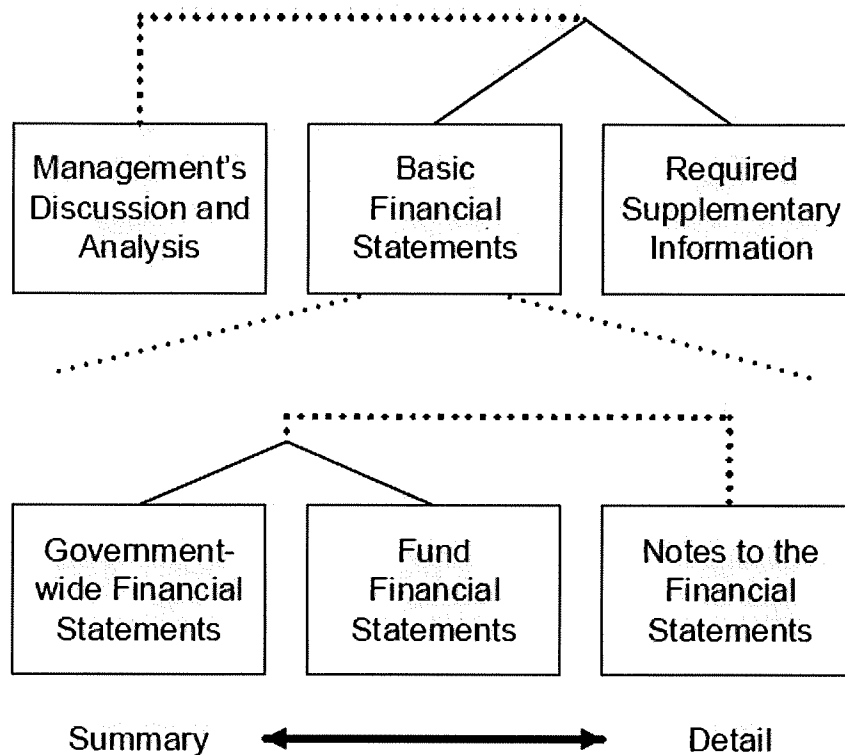


Figure 2 summarizes the major features of the District's financial statements, including the portion of the District they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**Figure 2**  
**Major Features of the Government-wide and Fund Financial Statements**

	Fund Financial Statements	
	Government-wide Statements	Governmental Funds
Scope	Entire District	The activities of the District
Required financial statements	<ul style="list-style-type: none"> <li>Statement of Net Position</li> <li>Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance Sheet</li> <li>Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
Type of deferred outflows/inflows of resources information	All deferred outflows/inflows of resources, regardless of when cash is received or paid	Only deferred outflows of resources expected to be used up and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., grants and earned but unused vacation and sick leave).

The governmental activities of the District include general government, programs and interest on long-term debt.

The government-wide financial statements start on page 26 of this report.

**Fund Financial Statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District currently maintains five governmental funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the governmental fund balance sheets and the governmental fund statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District adopts an annual appropriated budget for its General and Implementation fund. A budgetary comparison statement has been provided for the General and Implementation fund to demonstrate compliance with this budget.

The basic governmental fund financial statements start on page 30 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 37 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by \$3,447,707 at the close of the most recent fiscal year.

A Large portion of the District's net position are net investment in capital assets (e.g., land, land improvements, easements and equipment). The net position invested in capital assets is not available for future spending.

### Prior Lake-Spring Lake Watershed District's Summary of Net Position

	December 31,		Increase (Decrease)
	2022	2021	
Assets			
Current	\$ 2,865,526	\$ 2,351,451	\$ 514,075
Capital	1,185,322	1,204,807	(19,485)
Total Assets	<u>4,050,848</u>	<u>3,556,258</u>	<u>494,590</u>
Deferred Outflows of Resources			
Deferred pension resources	<u>116,400</u>	<u>170,541</u>	<u>(54,141)</u>
Liabilities			
Current	274,464	407,291	(132,827)
Noncurrent	424,126	257,524	166,602
Total Liabilities	<u>698,590</u>	<u>664,815</u>	<u>33,775</u>
Deferred Inflows of Resources			
Deferred pension resources	<u>20,951</u>	<u>214,040</u>	<u>(193,089)</u>
Net Position			
Investment in capital assets	1,185,322	1,204,807	(19,485)
Restricted	224,263	371,656	(147,393)
Unrestricted	<u>2,038,122</u>	<u>1,271,481</u>	<u>766,641</u>
Total Net Position	<u>\$ 3,447,707</u>	<u>\$ 2,847,944</u>	<u>\$ 599,763</u>

At the end of the current fiscal year, the District is able to report positive balances in all types of net position.

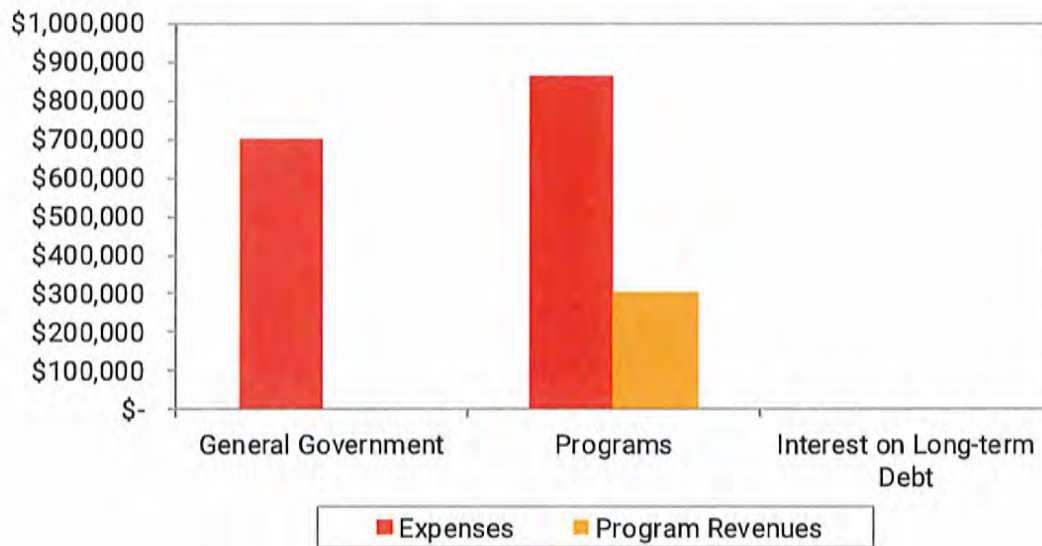
**Governmental Activities.** Governmental activities increased the District's net position by \$599,763.

**Prior Lake-Spring Lake Watershed District's Changes in Net Position**

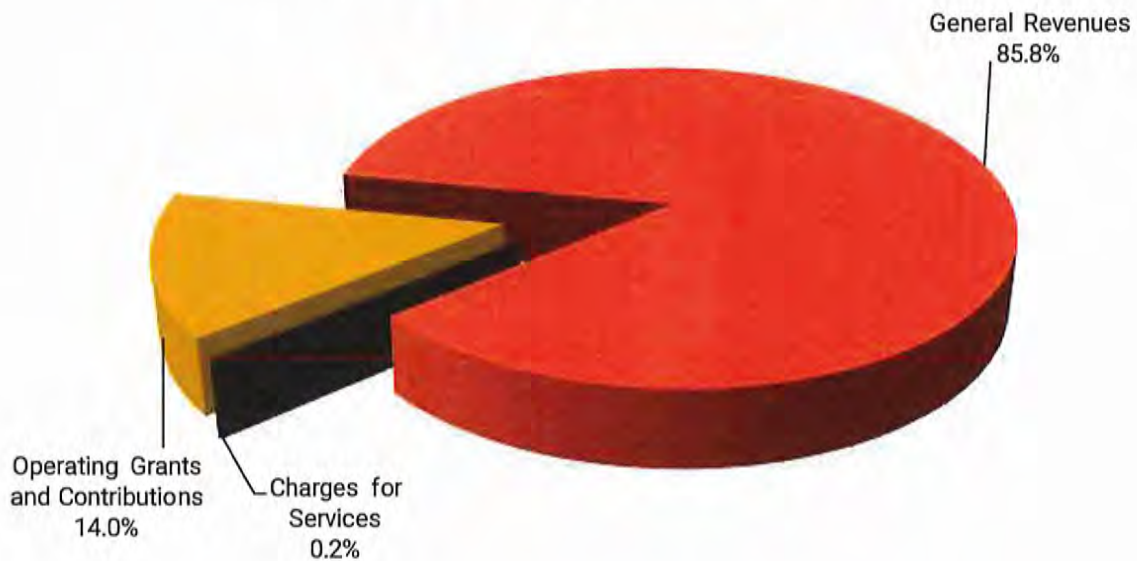
	December 31,		Increase (Decrease)
	2022	2021	
Revenues			
Program			
Charges for services	\$ 3,808	\$ 7,574	\$ (3,766)
Operating grants and contributions	302,396	432,484	(130,088)
General			
Property taxes	1,835,164	1,790,864	44,300
Unrestricted investment earnings	20,784	272	20,512
Total Revenues	<u>2,162,152</u>	<u>2,231,194</u>	<u>(69,042)</u>
Expenses			
General government	699,400	673,492	25,908
Programs	862,989	761,687	101,302
Total Expenses	<u>1,562,389</u>	<u>1,435,179</u>	<u>127,210</u>
Change in Net Position	599,763	796,015	(196,252)
Net Position, January 1	<u>2,847,944</u>	<u>2,051,929</u>	<u>796,015</u>
Net Position, December 31	<u>\$ 3,447,707</u>	<u>\$ 2,847,944</u>	<u>\$ 599,763</u>

The following graph depicts various governmental activities and shows the revenue and expenses directly related to those activities.

### Expenses and Program Revenues - Governmental Activities



### Revenues by Source - Governmental Activities



## Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,573,578, an increase of \$656,094 in comparison with the prior year. Approximately 10.2 percent of this total amount, \$261,743, constitutes *unassigned* fund balance, which is available for spending at the District's discretion. The remainder of fund balance (\$2,311,835) is not available for new spending because it is either 1) restricted (\$260,000), 2) committed (\$2,041,635), or nonspendable (\$10,200), for the purposes described in the fund balance section of the balance sheet.

The General fund is the chief operating fund of the District. At the end of the current year, the fund balance of the General fund was \$307,680. As a measure of the General fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 141.1 percent of 2022 actual expenditures and 130 percent of 2022 budgeted fund expenditures. The General fund balance increased \$33,934 during the current fiscal year. The increase was due to expenditure under budget.

The fund balance of the Implementation fund at year end was \$2,041,635 which is an increase of \$769,553 from the prior year.

The JPA/MOA Operations fund balance at year end amounted to (\$35,737) which is a decrease of \$147,393 from the prior year. This was due program cost expenditures.

The JPA/MOA Emergency fund balance at year end was \$260,000, which was the same as the prior year.

### General Fund Budgetary Highlights

The District's General fund budget was not amended during the year. Revenues were over budget by \$5,853. Expenditures were under budget by \$28,081.

### Capital Asset and Debt Administration

**Capital Assets.** The District's investment in capital assets for its governmental activities as of December 31, 2022, amounts to \$1,185,322 (net of accumulated depreciation). This investment in capital assets includes land, easements, land improvements and equipment. The total increase in the District's investment in capital assets for the current fiscal year was 1.62 percent.

Additional information on the District's capital assets can be found in Note 3B on page 47 of this report.

### Prior Lake-Spring Lake Watershed District's Capital Assets (Net of Depreciation)

	December 31,		Increase (Decrease)
	2022	2021	
Land	\$ 37,800	\$ 37,800	\$ -
Permanent Easements	578,120	578,120	-
Construction in progress	-	313,352	(313,352)
Land Improvements	446,590	141,222	305,368
Equipment	122,812	134,313	(11,501)
Total	<u>\$ 1,185,322</u>	<u>\$ 1,204,807</u>	<u>\$ (19,485)</u>

The increase is attributable to land improvements.

**Long-term Debt.** At the end of the current fiscal year, the District had no bonded debt outstanding.

### Prior Lake-Spring Lake Watershed District's Outstanding Debt

	December 31,		Increase (Decrease)
	2022	2021	
Compensated Absences Payable	\$ 28,124	\$ 26,920	\$ 1,204

The District's total debt and other liabilities increased \$1,204 during the current fiscal year.

Additional information on the District's long-term debt can be found in Note 3D starting on page 48 of this report.

### Economic Factors and Next Year's Budgets

The District goes through a multi-stage process to develop its annual budget. This first step includes the Cooperators who are a part of the Memorandum of Agreement for the construction, use, operation, and maintenance of the Prior Lake Outlet Channel (PLOC) and Outlet Structure. After this part of the budget is complete, the Watershed District Board meets several times to consider current and projected projects, programs, staff adjustments, etc. to develop the rest of the budget. For the 2023 fiscal year, the District completed a project budgeting process in 2022 that included the outlet channel system and the broader Prior Lake-Spring Lake watershed.

**PLOC:** The District completed PLOC projects resulting from the 2014 flood and received requested reimbursement from FEMA in 2020. To address erosion and sedimentation issues along the PLOC that were not covered by FEMA, the District Engineer initiated the preparation of two sets of construction documents in 2021. These plans were bid, awarded, and substantially complete in 2022.

A 36-inch concrete pipe that extends 0.4 miles from the PLOC outlet structure to the PLOC open channel was televised in 2022. The televising resulted a recommendation to install a cured-in-place pipe (CIPP) lining along the entire length of the pipe. In 2023, the Cooperators will retain a consultant to prepare construction documents for the CIPP lining. Depending on estimated construction costs, the project may go out to bid in 2023. The Cooperators will also be working to secure grant funds to cover all or a portion of the CIPP cost.

**District Rules:** The District Board of Managers approved updated rules on May 10, 2022 that were effective June 1, 2022. The District will work with interested local government units within the District to establish equivalency agreements with a goal of establishing a minimum of two equivalency agreements in 2023.

**Water Resources Management Plan:** The District completed the update of the 2020 to 2030 Water Resources Management Plan in 2020. Three guiding principles of the Water Resources Management Plan (WRMP) include reducing flood impacts, maintaining or improving quality of water resources, and managing existing and preventing new aquatic invasive species in the District. In 2022, some of the WRMP initiatives included: a.) Initiation of the Sutton Lake Master Plan that is planned to be complete in 2023, b.) Advanced Upper Watershed Blueprint and upstream storage projects (see next sections), c.) Created an Aquatic Invasive Species (AIS) Prevention and Rapid Response Plan in partnership with Scott County, d.) Continued other AIS activities, such as curlyleaf pondweed management, carp removals, boat inspections, and AIS identification events, e.) Continued to monitor District streams and lakes. In 2023, the District will complete in-progress plans, initiate an update to the Fish Lake Management Plan, and perform AIS and monitoring activities consistent with 2022.

**Upper Watershed Blueprint:** As identified in the District's WRMP, the District completed the preparation of the Upper Watershed Blueprint Plan in 2021 to investigate and develop recommended projects for the upper watershed. In 2022 the District initiated the following Upper Watershed Blueprint projects: a.) Completed a feasibility study investigating the creation of an iron enhanced sand filter and wetland bank in the District for the Spring Lake West subwatershed, b.) Completed a feasibility study investigating the creation of an iron enhanced sand filter near Sutton Lake, c.) Initiated of a feasibility study for wetland enhancement, water quality and potentially flood control east of Buck Lake that is planned to be complete in 2023. For 2023, the District will complete in-progress feasibility studies, initiate and complete the Swamp Lake Phosphorus and Peak Flow Reduction feasibility study and will work with upper watershed landowners to see if feasibility studies can be advanced to implementation.



**Upstream Storage:** A Flood Study completed in 2016 recommended that the District store water in the upper watershed. The District Engineer prepared construction documents for the Sutton Lake Outlet Modification Project and the construction project was awarded to a contractor in late 2020. All construction and warranty work were completed in 2022. With the completion of the Sutton Lake Outlet Project, the District met the first-tier, high priority Prior Lake protection level of 905.5 feet above sea level for the 25-year return period. In 2023, the District will reconvene the 2016 Flood Study Technical Advisory Committee (TAC) with the goal of establishing a new flood reduction goal to work towards. In addition, the District will work with Scott SWCD to identify potential flood control projects and perform preliminary outreach to landowners adjacent two potential flood reduction projects to gauge landowner interest and support for these projects.

**Carp Management:** The District initiated an Accelerated Carp Management Strategy in 2019 to improve water quality in Spring Lake and Upper Prior Lake using District and grant funds. Grant funding for the Accelerated Carp Management Strategy activities concluded in 2021. The District continued its carp management activities in 2022 using District funds and will do the same for 2023.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to District Administrator, Prior Lake - Spring Lake Watershed District, 4646 Dakota Street SE, Prior Lake, MN 55372.

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PRIOR LAKE - SPRING LAKE  
WATERSHED DISTRICT  
PRIOR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

Prior Lake - Spring Lake Watershed District  
 Prior Lake, Minnesota  
 Statement of Net Position  
 December 31, 2022

	<u>Governmental Activities</u>
Assets	
Cash and temporary investments	\$ 2,822,335
Receivables	
Accounts	92
Delinquent taxes	17,484
Due from other governments	15,415
Prepaid items	10,200
Capital assets	
Land and permanent easements	615,920
Depreciable assets, net of accumulated depreciation	569,402
Total Assets	<u>4,050,848</u>
Deferred Outflows of Resources	
Deferred pension resources	<u>116,400</u>
Liabilities	
Accounts payable	129,608
Accrued salaries payable	19,363
Permit collateral deposits payable	122,666
Deposits payable	2,827
Noncurrent liabilities	
Due within one year	
Long-term liabilities	28,124
Due in more than one year	
Net pension liability	396,002
Total Liabilities	<u>698,590</u>
Deferred Inflows of Resources	
Deferred pension resources	<u>20,951</u>
Net Position	
Investment in capital assets	1,185,322
Restricted	
Prior Lake outlet channel	224,263
Unrestricted	<u>2,038,122</u>
Total Net Position	<u><u>\$ 3,447,707</u></u>

The notes to the financial statements are an integral part of this statement.

Prior Lake - Spring Lake Watershed District  
 Prior Lake, Minnesota  
 Statement of Activities  
 For The Year Ended December 31, 2022

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
General government	\$ 699,400	\$ 3,808	\$ -	\$ (695,592)
Programs	<u>862,989</u>	<u>-</u>	<u>302,396</u>	<u>(560,593)</u>
Total	<u>\$ 1,562,389</u>	<u>\$ 3,808</u>	<u>\$ 302,396</u>	<u>(1,256,185)</u>
General Revenues				
Property taxes				1,835,164
Unrestricted investment earnings				<u>20,784</u>
Total General Revenues				<u>1,855,948</u>
Change in Net Position				599,763
Net Position, January 1				<u>2,847,944</u>
Net Position, December 31				<u>\$ 3,447,707</u>

The notes to the financial statements are an integral part of this statement.

THIS PAGE IS LEFT  
BLANK INTENTIONALLY



FUND FINANCIAL STATEMENTS

PRIOR LAKE - SPRING LAKE  
WATERSHED DISTRICT  
PRIOR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

Prior Lake - Spring Lake Watershed District  
Prior Lake, Minnesota  
Balance Sheet  
Governmental Funds  
December 31, 2022

	405	509	830	850	Total
	General	Implementation	JPA/MOA	JPA/MOA	Governmental
	Fund	Fund	Operations	Emergency	Funds
			Fund	Fund	
<b>Assets</b>					
Cash and temporary investments	\$ 367,172	\$ 2,213,958	\$ 16,942	\$ 224,263	\$ 2,822,335
Receivables					
Accounts	-	92	-	-	92
Delinquent taxes	2,273	15,211	-	-	17,484
Due from other governments	14,749	666	-	-	15,415
Due from other funds	-	-	-	35,737	35,737
Prepaid items	10,200	-	-	-	10,200
<b>Total Assets</b>	<u>\$ 394,394</u>	<u>\$ 2,229,927</u>	<u>\$ 16,942</u>	<u>\$ 260,000</u>	<u>\$ 2,901,263</u>
<b>Liabilities</b>					
Accounts payable	\$ 6,112	\$ 106,554	\$ 16,942	\$ -	\$ 129,608
Accrued salaries payable	19,363	-	-	-	19,363
Permit collateral deposits payable	58,966	63,700	-	-	122,666
Deposits payable	-	2,827	-	-	2,827
Due to other funds	-	-	35,737	-	35,737
<b>Total Liabilities</b>	<u>84,441</u>	<u>173,081</u>	<u>52,679</u>	<u>-</u>	<u>310,201</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	2,273	15,211	-	-	17,484
<b>Fund Balances</b>					
Nonspendable	10,200	-	-	-	10,200
Restricted for					
Prior Lake outlet channel	-	-	-	260,000	260,000
Committed for					
Water resources management plan	-	2,041,635	-	-	2,041,635
Unassigned	297,480	-	(35,737)	-	261,743
<b>Total Fund Balances</b>	<u>307,680</u>	<u>2,041,635</u>	<u>(35,737)</u>	<u>260,000</u>	<u>2,573,578</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 394,394</u>	<u>\$ 2,229,927</u>	<u>\$ 16,942</u>	<u>\$ 260,000</u>	<u>\$ 2,901,263</u>

The notes to the financial statements are an integral part of this statement.

Prior Lake - Spring Lake Watershed District  
Reconciliation of the Balance Sheet  
to the Statement of Net Position  
Governmental Funds  
December 31, 2022

Amounts reported for the governmental activities in the statement of net position are different because

Total Fund Balances - Governmental	\$ 2,573,578
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Cost of capital assets	2,334,204
Less accumulated depreciation	(1,148,882)
Noncurrent liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Long-term liabilities at year-end consist of	
Compensated absences payable	(28,124)
Net pension liability	(396,002)
Some receivables are not available soon enough to pay for the current period's expenditures, and therefore, are unavailable in the funds.	
Delinquent taxes and grants receivable	17,484
Governmental funds do not report long-term amounts related to pensions.	
Deferred outflow of resources	116,400
Deferred inflow of resources	(20,951)
Total Net Position - Governmental Activities	<u>\$ 3,447,707</u>

The notes to the financial statements are an integral part of this statement.

Prior Lake - Spring Lake Watershed District  
 Prior Lake, Minnesota  
 Statement of Revenues, Expenditures and Changes in Fund Balances  
 Governmental Funds  
 For The Year Ended December 31, 2022

	405	509	830	850	Total
	General	Implementation	JPA/MOA	JPA/MOA	Governmental
	Fund	Fund	Operations	Emergency	Funds
			Fund	Fund	
Revenues					
Property taxes	\$ 246,199	\$ 1,598,157	\$ -	\$ -	\$ 1,844,356
Intergovernmental					
Reimbursements/grants	-	93,014	209,382	-	302,396
Interest on investments	4,146	12,575	1,427	2,636	20,784
Miscellaneous	1,708	2,100	-	-	3,808
Total Revenues	<u>252,053</u>	<u>1,705,846</u>	<u>210,809</u>	<u>2,636</u>	<u>2,171,344</u>
Expenditures					
Current					
General government	218,119	412,882	40,745	-	671,746
Program costs	-	504,263	339,241	-	843,504
Total Expenditures	<u>218,119</u>	<u>917,145</u>	<u>379,986</u>	<u>-</u>	<u>1,515,250</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>33,934</u>	<u>788,701</u>	<u>(169,177)</u>	<u>2,636</u>	<u>656,094</u>
Other Financing Sources (Uses)					
Transfers in	-	-	21,784	-	21,784
Transfers out	-	(19,148)	-	(2,636)	(21,784)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(19,148)</u>	<u>21,784</u>	<u>(2,636)</u>	<u>-</u>
Net Change in Fund Balances	33,934	769,553	(147,393)	-	656,094
Fund Balances, January 1	<u>273,746</u>	<u>1,272,082</u>	<u>111,656</u>	<u>260,000</u>	<u>1,917,484</u>
Fund Balances, December 31	<u>\$ 307,680</u>	<u>\$ 2,041,635</u>	<u>\$ (35,737)</u>	<u>\$ 260,000</u>	<u>\$ 2,573,578</u>

The notes to the financial statements are an integral part of this statement.



Prior Lake - Spring Lake Watershed District  
 Prior Lake, Minnesota  
 Reconciliation of the Statement of  
 Revenues, Expenditures and Changes in Fund Balances  
 to the Statement of Activities  
 Governmental Funds  
 For The Year Ended December 31, 2022

Amounts reported for governmental activities in the statement of activities are different because

Total Net Change in Fund Balances - Governmental Funds	\$ 656,094
Capital outlays are reported in governmental funds as expenditures. However in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense.	
Capital outlays	2,682
Depreciation expense	(22,167)
Long-term pension activity is not reported in governmental funds.	
Pension expense	(28,169)
Pension other revenue	1,719
Certain revenues are recognized as soon as they are earned. Under the modified accrual basis of accounting, certain revenues cannot be recognized until they are available to liquidate liabilities of the current period.	
Property taxes	(9,192)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	(1,204)
Change in Net Position - Governmental Activities	<u>\$ 599,763</u>

The notes to the financial statements are an integral part of this statement.

Prior Lake - Spring Lake Watershed District  
 Prior Lake, Minnesota  
 Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 General Fund  
 For The Year Ended December 31, 2022

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues				
Property taxes	\$ 246,200	\$ 246,200	\$ 246,199	\$ (1)
Interest on investments	-	-	4,146	4,146
Miscellaneous	-	-	1,708	1,708
Total Revenues	<u>246,200</u>	<u>246,200</u>	<u>252,053</u>	<u>5,853</u>
Expenditures				
Current				
General government	<u>246,200</u>	<u>246,200</u>	<u>218,119</u>	<u>28,081</u>
Net Change in Fund Balances	-	-	33,934	33,934
Fund Balances, January 1	<u>273,746</u>	<u>273,746</u>	<u>273,746</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 273,746</u>	<u>\$ 273,746</u>	<u>\$ 307,680</u>	<u>\$ 33,934</u>

The notes to the financial statements are an integral part of this statement.

Prior Lake - Spring Lake Watershed District  
 Prior Lake, Minnesota  
 Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Budget and Actual  
 Implementation Fund  
 For The Year Ended December 31, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Property taxes	\$ 1,602,735	\$ 1,602,735	\$ 1,598,157	\$ (4,578)
Intergovernmental				
Reimbursements/grants	587,700	357,700	93,014	(264,686)
Interest on investments	-	-	12,575	12,575
Miscellaneous	-	-	2,100	2,100
Total Revenues	<u>2,190,435</u>	<u>1,960,435</u>	<u>1,705,846</u>	<u>(254,589)</u>
Expenditures				
Current				
General government	561,700	561,700	412,882	148,818
Program costs	1,609,235	1,379,235	504,263	874,972
Total Expenditures	<u>2,170,935</u>	<u>1,940,935</u>	<u>917,145</u>	<u>1,023,790</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,500	19,500	788,701	769,201
Other Financing Uses				
Transfers out	<u>(19,500)</u>	<u>(19,500)</u>	<u>(19,148)</u>	<u>352</u>
Net Change in Fund Balances	-	-	769,553	769,553
Fund Balances, January 1	<u>1,272,082</u>	<u>1,272,082</u>	<u>1,272,082</u>	<u>-</u>
Fund Balances, December 31	<u>\$ 1,272,082</u>	<u>\$ 1,272,082</u>	<u>\$ 2,041,635</u>	<u>\$ 769,553</u>

The notes to the financial statements are an integral part of this statement.

THIS PAGE IS LEFT  
BLANK INTENTIONALLY

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

## Note 1: Summary of Significant Accounting Policies

### A. Reporting Entity

The Prior Lake - Spring Lake Watershed District (the District), Prior Lake, Minnesota, was established on March 4, 1970 by order of the Minnesota Water Resources Board (MWRB), which is now the Minnesota Board of Water and Soil Resources (BWSR) under the authority of the Minnesota Watershed Act (Minnesota Statutes, Chapter 112). The order was in response to a petition filed with the MWRB by residents within the watershed on June 24, 1969.

The Mission of the District is to manage and preserve water resources of the District to the best of its ability using input from the community, sound engineering practices, and its ability to efficiently fund beneficial projects which transcend political jurisdictions.

The District is governed by a Board of Managers which consists of five members. The Board of Managers exercises legislative authority and determines all matters of policy. The Board of Managers appoints personnel responsible for the proper administration of all affairs relating to the District's activities.

The District has considered all potential units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the primary government to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government. The District has no component units that meet the GASB criteria.

### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Charges for service, assessments to members, grants and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the organization.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlement and donations. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are also recorded as unearned revenue.

The District reports the following major governmental funds:

The *General fund* is the District's primary operating fund. It accounts for all financial resources not accounted for in a different fund of the District.

The *Implementation fund* was established pursuant to Minnesota statutes for funding related to the development and implementation of the District's watershed management plan. By law, this plan must contain a capital improvement plan which allows watershed districts to implement projects without petition. The District may impose an ad valorem levy over the entire watershed or subwatershed to fund these projects or allow funds to accumulate to finance these capital improvement projects. The property tax levy is committed to execute the water resources management plan as filed with the Board of Water and Soil Resources.

The *JPA/MOA Operations fund* was established to account for activity necessary to monitor the status of the Outlet Channel and ensure the stability and continued performance of the Outlet Channel associated with the cost sharing agreement.

The *JPA/MOA Emergency fund* was established to account for any major unexpected and necessary expenditures relating to the JPA/MOA agreement.

As a general rule the effect of interfund activity has been eliminated from government-wide financial statements.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

## Note 1: Summary of Significant Accounting Policies (Continued)

### D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Fund Balance

#### *Deposits and Investments*

The District's cash and temporary investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Cash balances from all funds are pooled and invested, to the extent available, in certificates of deposit and other authorized investments. Earnings from such investments are allocated on the basis of applicable participation by each of the funds.

The District may also invest idle funds as authorized by Minnesota statutes, as follows:

1. Direct obligations or obligations guaranteed by the United States or its agencies.
2. Shares of investment companies registered under the Federal Investment Company Act of 1940 and received the highest credit rating, rated in one of the two highest rating categories by a statistical rating agency, and have a final maturity of thirteen months or less.
3. General obligations of a state or local government with taxing powers rated "A" or better; revenue obligations rated "AA" or better.
4. General obligations of the Minnesota Housing Finance Agency rated "A" or better.
5. Obligation of a school district with an original maturity not exceeding 13 months and (i) rated in the highest category by a national bond rating service or (ii) enrolled in the credit enhancement program pursuant to statute section 126C.55.
6. Bankers' acceptances of United States banks eligible for purchase by the Federal Reserve System.
7. Commercial paper issued by United States banks corporations or their Canadian subsidiaries, of highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
8. Repurchase or reverse repurchase agreements and securities lending agreements with financial institutions qualified as a "depository" by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000, a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.
9. Guaranteed Investment Contracts (GIC's) issued or guaranteed by a United States commercial bank, a domestic branch of a foreign bank, a United States insurance company, or its Canadian subsidiary, whose similar debt obligations were rated in one of the top two rating categories by a nationally recognized rating agency.

Broker money market funds operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the shares. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's recurring fair value measurements are listed in detail on page 45 and are valued using quoted market prices (Level 1 inputs).

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

### **Note 1: Summary of Significant Accounting Policies (Continued)**

The Minnesota Municipal Money Market Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the regulatory rules of the SEC. In accordance with GASB Statement No. 79, the District's investment in this pool is valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

#### ***Property Tax Revenue Recognition***

The Board of Managers annually adopts a tax levy and certifies it to the County in December (levy/assessment date) of each year for collection in the following year. The County is responsible for billing and collecting all property taxes for itself, the District, the local School District and other taxing authorities. Such taxes become a lien on January 1 and are recorded as receivables by the District at that date. Real property taxes are payable (by property owners) on May 15 and October 15 of each calendar year. Personal property taxes are payable by taxpayers on February 28 and June 30 of each year. These taxes are collected by the County and remitted to the District on or before July 7 and December 2 of the same year. The District has no ability to enforce payments of property taxes by property owners. The County possesses this authority.

*Government-wide Financial Statements.* The District recognizes property tax revenue in the period for which taxes were levied.

*Governmental Fund Financial Statements.* The District recognizes property tax revenue when it becomes both measurable and available to finance expenditures of the current period. In practice, current and delinquent taxes and State credits received by the District in July, December, and January are recognized as revenue for the current year. Taxes collected by the County by December 31 (remitted to the District the following January) and taxes and credits not received at year end are classified as delinquent and due from County taxes receivable. The portion of delinquent taxes not collected by the District in January is fully offset by unavailable revenue because they are not available to finance current expenditures.

#### ***Interfund Receivable and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

#### ***Accounts Receivable***

Accounts receivable include amounts billed for services provided before year end.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

## Note 1: Summary of Significant Accounting Policies (Continued)

### **Capital Assets**

Capital assets, which include land, land improvements, easements and equipment are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

GASB Statement No. 34 required the District to report and depreciate new infrastructure assets effective with the beginning of the 2004 calendar year. Infrastructure assets include lake improvements, dams and drainage systems. Neither their historical cost nor related depreciation had historically been reported in the financial statements. For governmental entities with total annual revenues of less than \$10 million for the fiscal year ended December 31, 1999 the retroactive reporting of infrastructure is not required under the provisions of GASB Statement No. 34. The District implemented the general provisions of GASB Statement No. 34 in the 2004 calendar year and has elected not to report infrastructure assets acquired in years prior to 2004.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Useful Lives in Years
Land Improvements	50
Equipment	5 - 10

### **Deferred Outflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only one item that qualifies for reporting in this category. Accordingly, the item, deferred pension resources, is reported only in the statement of net position. This item results from actuarial calculations and current year pension contributions made subsequent to the measurement date.

### **Pensions**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General fund is typically used to liquidate governmental net pension liability.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

**Note 1: Summary of Significant Accounting Policies (Continued)**

***Compensated Absences***

It is the District's policy to permit employees to accumulate earned but unused paid time off. All paid time off that is vested as severance pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. In accordance with the provisions of Statement of Government Accounting Standard No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights to receive paid time off. The General fund is typically used to liquidate governmental compensated absences payable.

***Long-term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The recognition of bond premiums and discounts as are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as an expense in the period incurred.

In the fund financial statements, governmental fund types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***Deferred Inflows of Resources***

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item, which arises only under a modified accrual basis of accounting that qualifies as needing to be reported in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The District has an additional item which qualifies for reporting in this category. The item, deferred pension resources, is reported only in the statement of net position and results from actuarial calculations.



Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

## **Note 1: Summary of Significant Accounting Policies (Continued)**

### ***Fund Balance***

In the fund financial statements, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of resources reported in the governmental funds. These classifications are defined as follows:

*Nonspendable* - Amounts that cannot be spent because they are not in spendable form, such as prepaid items.

*Restricted* - Amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

*Committed* - Amounts constrained for specific purposes that are internally imposed by formal action (resolution) of the District Board of Managers, which is the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the Board of Managers modifies or rescinds the commitment by resolution.

*Assigned* - Amounts constrained for specific purposes that are internally imposed. In governmental funds other than the General fund, assigned fund balance represents all remaining amounts that are not classified as nonspendable and are neither restricted nor committed. In the General fund, assigned amounts represent intended uses established by the Board of Managers itself or by an official to which the governing body delegates the authority. The Board of Managers has adopted a fund balance policy which delegates the authority to assign amounts for specific purposes to the District Administrator.

*Unassigned* - The residual classification for the General fund and also negative residual amounts in other funds. The District considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District has formally adopted a fund balance policy.

### ***Net Position***

Net position represents the difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources. Net position is displayed in three components:

- a. Investment in capital assets - Consists of capital assets, net of accumulated depreciation
- b. Restricted net position - Consists of net position balances restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.
- c. Unrestricted net position- All other net position balances that do not meet the definition of "restricted" or "investment in capital assets".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

## **Note 2: Stewardship, Compliance and Accountability**

### **A. Budgetary Information**

The Board of Managers adopts an annual budget for the General and Implementation funds of the District on an annual basis. During the budget year, supplemental appropriations and deletions are or may be authorized by the Board of Managers. There were amendments to the budget during 2022. The modified accrual basis of accounting is used by the District for budgeting data. All appropriations end with the fiscal year for which they were made.

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

The District does not use encumbrance accounting.

### **B. Deficit Fund Equity**

For the year ended December 31, 2022, the JPA/MOA Operations fund reported deficit fund equity of \$35,737. The deficit will be eliminated with future reimbursements/grant revenues and transfers in.

## **Note 3: Detailed Notes on Accounts**

### **A. Deposits and Investments**

#### ***Deposits***

Custodial credit risk for deposits and investments is the risk that in the event of a bank failure, the District's deposits and investments may not be returned or the District will not be able to recover collateral securities in the possession of an outside party.

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

Minnesota statutes require that all District deposits be protected by insurance, surety bond or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by insurance or bonds, with the exception of irrevocable standby letters of credit issued by Federal Home Loan Banks as this type of collateral only requires collateral pledged equal to 100 percent of the deposits not covered by insurance or bonds.

Authorized collateral in lieu of a corporate surety bond includes:

- United States government Treasury bills, Treasury notes, Treasury bonds;
- Issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- General obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- General obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

### Note 3: Detailed Notes on Accounts (Continued)

- Irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- Time deposits that are fully insured by any federal agency.

Minnesota statutes require that all collateral shall be placed in safekeeping in a restricted account at a Federal Reserve Bank, or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The selection should be approved by the District.

At year end, the District's carrying amount of deposits was \$484,000 and the bank balance was \$484,000. The balance was covered by \$484,000 of FDIC coverage.

#### Investments

At year end, the District's investment balances were as follows:

Types of Investments	Credit Quality/ Ratings (1)	Segmented Time Distribution (2)	Amount	Fair Value Measurement Using		
				Level 1	Level 2	Level 3
Pooled Investments (at Amortized Cost)						
4M Fund	N/A	less than 1 year	\$ 1,649,378			
Non-pooled Investments						
Government Agency Securities	AA+	less than 1 year	688,957	\$ 688,957	\$ -	\$ -
Total			<u>\$ 2,338,335</u>	<u>\$ 688,957</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Ratings are provided by Moody's where applicable to indicate associated credit risk.

(2) Interest rate risk is disclosed using the segmented time distribution method.

N/A Indicates not applicable or available.

A reconciliation of cash and investments as shown in the financial statements of the District follows:

Carrying Amount of Deposits	\$ 484,000
Investments	<u>2,338,335</u>
Total Cash and Temporary Investments	<u>\$ 2,822,335</u>

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

**Note 3: Detailed Notes on Accounts (Continued)**

The investments of the District are subject to the following risks:

- *Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Ratings are provided by various credit rating agencies and where applicable, indicate associated credit risk. Minnesota statutes and the District's investment policy limit the District's investments to the list on page 39 of the notes. The District's investment policy specifically limits investments to the following:
  - Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by the United States of America and its agencies
  - Interest bearing checking and savings accounts, or any other investments constituting direct obligations of any FDIC financial institution
  - Certificates of deposit with federally insured institutions that are collateralized or insured in excess of the \$250,000 provided by the Federal Deposit Insurance Corporation coverage limit
  - Money market accounts that are 100 percent invested in above referenced government securities
  - Commercial paper issued by corporations organized in the United States with assets exceeding \$500,000,000, of highest quality category by at least two of the three standard rating agencies, maturing in 270 days. The total investment in any one corporation cannot exceed 10 percent of that corporation's outstanding obligations and cannot be more than \$500,000
  - Investments may be made only in those savings banks or saving and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation
  - Investment products that are considered as derivatives are specifically excluded from approved investments
- *Custodial Credit Risk.* The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's investment policy states that collateral must be placed in safekeeping at or before the time the investments are purchased if the investment is not fully covered by FDIC insurance.
- *Concentration of Credit Risk.* The concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. According to the District's investment policy, it is the policy of the District to diversify its investment portfolio. Investment shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities. Diversification strategies shall be determined and revised periodically by the District.
- *Interest Rate Risk.* The interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the District's investment policy, no investment maturity shall extend beyond five years to reduce this risk.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

### Note 3: Detailed Notes on Accounts (Continued)

#### B. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital Assets, not being Depreciated				
Land	\$ 37,800	\$ -	\$ -	\$ 37,800
Permanent easements	578,120	-	-	578,120
CIP	313,352	2,682	(316,034)	-
Total Capital Assets, not being Depreciated	929,272	2,682	(316,034)	615,920
Capital Assets, being Depreciated				
Land improvements	1,250,578	316,034	-	1,566,612
Equipment	151,672	-	-	151,672
Total Capital Assets being Depreciated	1,402,250	316,034	-	1,718,284
Less Accumulated Depreciation for				
Land improvements	(1,109,356)	(10,666)	-	(1,120,022)
Equipment	(17,359)	(11,501)	-	(28,860)
Total Accumulated Depreciation	(1,126,715)	(22,167)	-	(1,148,882)
Total Capital Assets being Depreciated, Net	275,535	293,867	-	569,402
Governmental Activities Capital Assets, Net	<u>\$ 1,204,807</u>	<u>\$ 296,549</u>	<u>\$ (316,034)</u>	<u>\$ 1,185,322</u>

The full depreciation expense amount was charged to programs.

#### C. Interfund Receivables, Payables, and Transfers

The following interfund transfers were made during 2022:

- The Implementation fund transferred \$19,148 to the JPA/MOA Operations fund. This interfund transfer represents the District's cost-share allocation for the funds established pursuant to the Memorandum of Agreement for construction, use, operation and maintenance of the Prior Lake Outlet Channel and Outlet Structure. The JPA/MOA Emergency fund transferred \$2,636 to the JPA/MOA Operations fund to transfer excess interest in accordance with the cost share agreement.

Due to/from funds represent reclassifications of temporary cash deficits in individual fund and other short term loans expected to be repaid within one year. The amount owing between funds represents reclassification of temporary cash deficits. At year end, the balances between the JPA/MOA Operations Fund and the JPA/MOA Emergency fund was \$35,737.



Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

### Note 3: Detailed Notes on Accounts (Continued)

#### D. Long-term Liabilities

##### Changes in Long-term Liabilities

During the year ended December 31, 2022, the following changes occurred in long-term liabilities.

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
<b>Governmental Activities</b>					
Compensated absences payable	\$ 26,920	\$ 41,472	\$ (40,268)	\$ 28,124	\$ 28,124

### Note 4: Defined Benefit Pension Plans - Statewide

#### A. Plan Description

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

##### General Employees Retirement Plan

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

#### B. Benefits Provided

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

##### General Employee Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989 receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for Coordinated members is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent for average salary for all years of service. For members hired prior to July 1, 1989 a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989 normal retirement age is the age for unreduced Social Security benefits capped at 66.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

#### Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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

#### C. Contributions

Minnesota statutes, chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

##### General Employees Fund Contributions

Plan members were required to contribute 6.50 percent of their annual covered salary and the District was required to contribute 7.50 percent for Coordinated Plan members. The District's contributions to the General Employees Fund for the years ending December 31, 2022, 2021 and 2020 were \$28,365, \$28,148 and \$28,460, respectively. The District's contributions were equal to the contractually required contributions for each year as set by state statute.

#### D. Pension Costs

##### General Employees Fund Pension Costs

At December 31, 2022, the District reported a liability of \$396,002 for its proportionate share of the General Employees Fund's net pension liability. The district's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the district totaled \$11,504. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate of the net pension liability was based on the District's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021 through June 30, 2022 relative to the total employer contributions received from all of PERA's participating employers. The District's proportionate share was 0.0050 percent which was an decrease of 0.0074 percent from its proportion measured as of June 30, 2022.

District's Proportionate Share of the Net Pension Liability	\$ 396,002
State of Minnesota's Proportionate Share of the Net Pension	
Liability Associated with the District	<u>11,504</u>
Total	<u>\$ 407,506</u>

For the year ended December 31, 2022, the District recognized pension expense of \$54,815 for its proportionate share of the General Employees Fund's pension expense. In addition, the District recognized an additional \$1,719 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

**Note 4: Defined Benefit Pension Plans - Statewide (Continued)**

At December 31, 2022, the District reported its proportionate share of the General Employees Fund's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 3,308	\$ 4,554
Changes in Actuarial Assumptions	96,575	1,675
Net Difference between Projected and Actual Earnings on Plan Investments	-	4,630
Changes in Proportion	2,998	10,092
Contributions to PERA Subsequent to the Measurement Date	13,519	-
	<u>13,519</u>	<u>-</u>
Total	<u>\$ 116,400</u>	<u>\$ 20,951</u>

The amount reported as deferred outflows of resources related to pensions resulting from the District's contributions to GERF subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

2023	\$ 31,311
2024	31,461
2025	(16,655)
2026	35,813

Total Pension Expense

The total pension expense for all plans recognized by the District for the year ended December 31, 2022, was \$56,534.

**E. Actuarial Assumptions**

The total pension liability in the June 30, 2022 actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25 percent after one year of service to 3.0 percent after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

#### Note 4: Defined Benefit Pension Plans - Statewide (Continued)

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

Actuarial assumptions used in the June 30, 2022 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 were adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions occurred in 2022:

##### General Employees Fund

##### Changes in Actuarial Assumptions

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021

##### Changes in Plan Provisions

- There were no changes in plan provisions since the previous valuation.

#### F. Long-Term Expected Return on Investment

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic Equity	33.50 %	5.10 %
International Equity	16.50	5.30
Bonds (Fixed Income)	25.00	0.75
Alternative Assets (Private Markets)	25.00	5.90
Total	<u>100.00 %</u>	

#### G. Discount Rate

The discount rate used to measure the total pension liability in 2022 was 6.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Notes to the Financial Statements  
December 31, 2022

## Note 4: Defined Benefit Pension Plans - Statewide (Continued)

### H. Pension Liability Sensitivity

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

	District Proportionate Share of NPL		
	1 Percent Decrease (5.50%)	Current (6.50%)	1 Percent Increase (7.50%)
General Employees Fund	<u>\$ 625,505</u>	<u>\$ 396,002</u>	<u>\$ 207,773</u>

### I. Pension Plan Fiduciary Net Position

Detailed information about each defined benefit pension plan's fiduciary net position is available in a separately issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

## Note 5: Other Information

### A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries insurance. The District pays annual premiums for its workers compensation and property and casualty insurance. Settled claims have not exceeded the District's coverage in any of the past four fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities, if any, include an amount for claims that have been incurred but not reported (IBNRs). The District's management is not aware of any incurred but not reported claims.

### B. Permit Collateral Deposits Payable

The District issues permits to applicants who wish to make changes to land that may affect the water drainage or alter the lake shore within the boundaries of the District. The District requires collateral to be deposited to ensure the projects are completed in accordance with the permit application. As of December 31, 2022, the District was holding \$122,666 of collateral deposits.

### C. Cost Sharing Agreement

On October 17, 2007, the District entered into a Joint Powers Agreement with the City of Prior Lake and the City of Shakopee. At the same time, the District also entered into a Memorandum of Agreement with the City of Prior Lake, the City of Shakopee, and the Shakopee Mdewakanton Sioux Community. The purpose of both agreements is to share costs for construction, use, and operation of the Prior Lake outlet channel. The Memorandum of Agreement for the Use, Operation, and Maintenance of the Prior Lake Outlet Channel and Structure Between the Prior Lake-Spring Lake Watershed District, the City of Prior Lake, the City of Shakopee, and the Shakopee Mdewakanton Sioux Community was subsequently updated and approved, with an effective date of May 2, 2019.

For the year ended December 31, 2022, the District recognized cost reimbursement revenue of \$302,396 and nil unearned revenue.



REQUIRED SUPPLEMENTARY INFORMATION

PRIOR LAKE - SPRING LAKE  
WATERSHED DISTRICT  
PRIOR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Required Supplementary Information  
December 31, 2022

**Schedule of Employer's Share of PERA Net Pension Liability - General Employees Fund**

Fiscal Year Ending	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability (a)	State's Proportionate Share of the Net Pension Liability Associated with the District (b)	Total (a+b)	District's Covered Payroll (c)	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
06/30/22	0.0050 %	\$ 396,002	\$ 11,504	\$ 407,506	\$ 371,521	106.6 %	76.7 %
06/30/21	0.0054	230,604	7,087	237,691	390,978	59.0	87.0
06/29/20	0.0052	311,764	9,685	321,449	373,317	83.5	79.0
06/30/19	0.0053	293,025	9,166	302,191	375,703	78.0	80.2
06/30/18	0.0047	260,737	8,633	269,370	317,093	82.2	79.5
06/30/17	0.0045	287,277	3,645	290,922	286,665	100.2	75.9
06/29/16	0.0043	349,139	-	349,139	273,072	127.9	68.9
06/29/15	0.0036	186,571	-	186,571	208,266	89.6	78.2
06/30/15	-	-	-	-	-	-	-

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

**Schedule of Employer's PERA Contributions - General Employees Fund**

Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	District's Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
12/31/2022	\$ 28,365	\$ 28,365	\$ -	\$ 378,194	7.5 %
12/31/2021	28,148	28,148	-	375,303	7.5
12/31/2020	28,460	28,460	-	379,468	7.5
12/31/2019	27,359	27,359	-	364,783	7.5
12/31/2018	24,178	24,178	-	322,367	7.5
12/31/2017	22,312	22,312	-	297,493	7.5
12/31/2016	20,643	20,643	-	275,235	7.5
12/31/2015	18,844	18,844	-	251,252	7.5

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Required Supplementary Information (Continued)  
December 31, 2022

**Notes to the Required Supplementary Information - General Employees Fund**

Changes in Actuarial Assumptions

2022 - The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.50 percent to 5.40 percent.

2021 - The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 - The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older.

The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 - The mortality projection scale was changed from MP-2017 to MP-2018.

2018 - The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 - The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all future years. The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 - The assumed post-retirement benefit increase rate was changed from 1.0 percent per year through 2030 and 2.5 percent per year thereafter to 1.0 percent per year through 2035 and 2.5 percent per year thereafter.

Prior Lake-Spring Lake Watershed District  
Prior Lake, Minnesota  
Required Supplementary Information (Continued)  
December 31, 2022

**Notes to the Required Supplementary Information - General Employees Fund (Continued)**

Changes in Plan Provisions

2022 - There were no changes in plan provisions since the previous valuation.

2021 - There were no changes in plan provisions since the previous valuation.

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

2019 - The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The state's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 - The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 - The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 - There were no changes in plan provisions since the previous valuation.

2015 - On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

OTHER REQUIRED REPORT

PRIOR LAKE - SPRING LAKE  
WATERSHED DISTRICT  
PRIOR LAKE, MINNESOTA

FOR THE YEAR ENDED  
DECEMBER 31, 2022

THIS PAGE IS LEFT  
BLANK INTENTIONALLY





AbdoSolutions.com

## INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Managers  
Prior Lake - Spring Lake Watershed District  
Prior Lake, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of the Prior Lake - Spring Lake Watershed District (the District), Prior Lake, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements which collectively comprise the District's basic financial statements, and have issued our report thereon dated April 14, 2023.

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

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

A handwritten signature in black ink that reads "Abdo".

Abdo  
Minneapolis, Minnesota  
April 14, 2023



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

<b>Subject  </b>	Ferric Chloride System Assessment: Consultant Selection		
<b>Board Meeting Date  </b>	May 9, 2023	<b>Item No:</b>	4.3
<b>Prepared By  </b>	Emily Dick		
<b>Attachments  </b>	Ferric Chloride System Assessment Request for Proposals		
<b>Proposed Action  </b>	Motion to approve contracting for the Ferric Chloride System Assessment with staff recommended consulting firm		

## **Background**

Prior Lake-Spring Lake Watershed District operates a Ferric Chloride water treatment system to improve water quality on County Ditch 13 entering Spring Lake. Various elements of the treatment system were constructed in 1997 and 2013. The system includes a wetland, ferric chloride feed systems and a desiltation pond. The existing system needs to be evaluated for its remaining service life and considered for updates with best science and practices in mind. The current system requires that the building which houses equipment be at least partially disassembled to replace the storage tank.

The 2023 District budget includes \$65,000 to conduct system assessment work, replacement concept design, and estimating construction costs. Prior Lake-Spring Lake Watershed District has solicited proposals from consulting firms to seek assistance in evaluating the lifetime of the existing system components and recommend updates or potential re-design alternatives.

## **Discussion**

The District solicited proposals from its consulting pool of seven consulting firms (which includes Barr, Bolton & Menk, EOR, Houston Engineering, SRF Consulting, Stantec, and WSB) and received a competitive batch of proposals. Proposals were due on May 3, 2023, at close of business. Staff will present a recommendation for consultant selection for Board discussion and approval.

## **Recommendation**

Motion to approve contracting for the Ferric Chloride System Assessment with staff recommended consulting firm.

## **REQUEST FOR PROPOSALS FOR PROFESSIONAL ENGINEERING SERVICES**

### *Prior Lake-Spring Lake Watershed District Ferric Chloride System Assessment*

#### **SECTION 1: GENERAL INFORMATION**

##### **Acceptance of Proposal Contents**

The contents of this RFP will be included as part of the contractual obligations if a contract ensues. All information in the proposal is subject to disclosure under the provisions of Minnesota Statutes Chapter 13 – Minnesota Government Data Practices Act.

#### **PROJECT OVERVIEW**

##### **Purpose**

The Ferric Chloride system began operating 26 years ago, in 1997. The system includes a wetland, ferric chloride feed systems and a desiltation pond. The existing system needs to be evaluated for its remaining service life and the consultant should propose updates with best science and practices in mind. The current system requires that the building which houses equipment be at least partially disassembled to replace the storage tank. Prior Lake-Spring Lake Watershed District is seeking assistance to evaluate the lifetime of the existing system components, and recommend updates or potential re-design alternatives, including utilizing a new treatment chemical or method (ie. filter).

##### **Organizational Background**

The PLSLWD was formed on March 4, 1970 at the request of local residents through a citizen's petition, primarily for the purposes of managing the water levels of Spring and Prior Lake. The PLSLWD encompasses 42 square miles in Scott County, MN. Water in the PLSLWD flows mainly from the southwest to the northeast through Spring, Upper Prior and Lower Prior Lakes, and then north through the Prior Lake Outlet Channel to the Minnesota River near Valley Fair.

The mission of the PLSLWD is to manage and preserve the water resources of the District to the best of our ability using input from our communities, sound engineering practices, and our ability to efficiently fund beneficial projects which transcend political jurisdictions.

##### **Background**

Stormwater runoff from the Upper Watershed is partially responsible for water quality impairments to Spring and Upper Prior Lake, and poorer water quality on Lower Prior Lake. In 2011, the [Spring Lake-Upper Prior Lake Nutrient TMDL](#) provided Waste Load Allocations (WLA) and Load Allocations (LA) for the two impaired lakes.

In 2020, the PLSLWD completed an update of its Water Resources Management Plan (WRMP),

## Request for Proposals

## Ferric Chloride System Assessment and Recommended Updates

which identifies several programs, strategies, and implementation activities to address phosphorus and runoff reduction in the Upper Watershed (Figure 1). County Ditch 13 is the main inflow and contributor of phosphorus and sediment from the Upper Watershed to Spring Lake. PLSLWD is seeking evaluation of the effective lifetime of the current ferric chloride system as well as the consultant's view of the effectiveness of the Ferric Chloride System at reducing phosphorus entering Spring Lake from Ditch 13 and what types of upgrades are recommended.

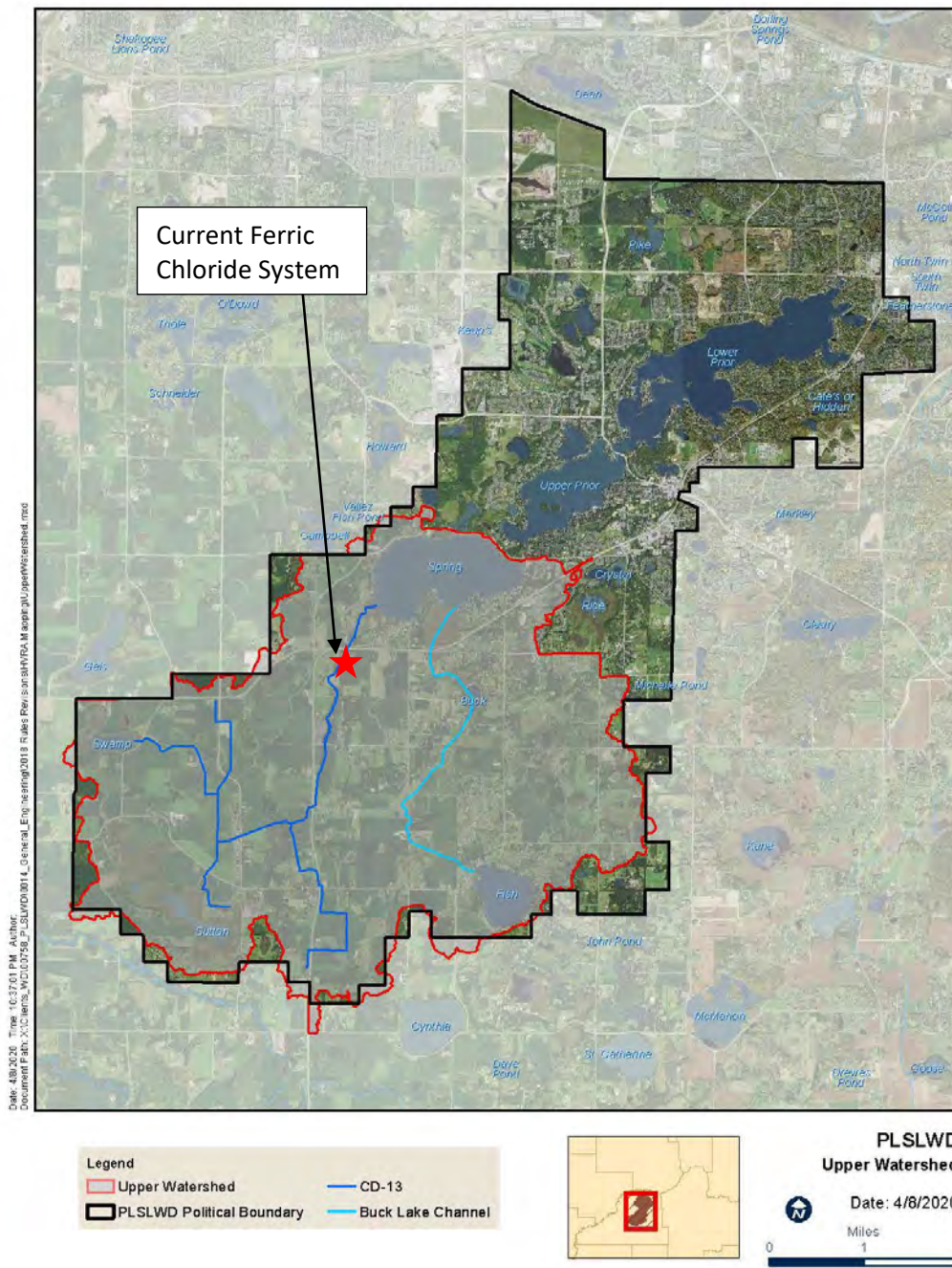


Figure 1. Upper Watershed Boundary



Request for Proposals  
Ferric Chloride System Assessment and Recommended Updates

## **SECTION 2: OVERALL SCOPE OF SERVICES**

This study will be led by the Consultant with support from PLSLWD staff and the District Engineer. PLSLWD staff will assist with partner engagement.

*The following section contains example tasks for the system analysis. Responses to this RFP are not constrained by these examples. Alternate scopes of work will be considered if the approach and work plan is capable of achieving the goals stated in the purpose of this RFP. The following are general work tasks and deliverables that shall be included in the Consultant's bid.*

### **Existing Systems Conditions Assessment**

#### **Remaining Service Life Assessment**

Assess the condition of the existing ferric chloride storage tank, pump, operational controls, and feed system. Evaluate whether the current system is in compliance with safety best practices. Prepare an estimate of remaining service life of all system components.

#### **Update Current Site Operations to Industry Standards**

Update existing Operations & Maintenance Manual (attached) to be consistent with industry standards for equivalent sites. Prepare guidance on safety requirements and recommendations for addressing safety concerns in the interim of system update/redesign. Identify the accurate location of the feedline running underground from the dosing facility to the desilt pond.

#### **Develop Estimate for Minimum Functional System Update**

Assess the probable impacts to the existing building associated with replacing the tank or other system components. Prepare engineer's opinion of probable costs to replace tank and any other recommended system components, including any needed equipment upgrades, and shed demolition/restoration costs. Include the costs of updating system components with reasonable safety protections given the chemical risk and site constraints.

#### **Access Drive Assessment**

Assess functionality of existing access drive. Prepare two options for access drive improvements with associated estimated construction costs. Improvements should take into account ease of chemical delivery by large trailer trucks, deterrents of public use of access drive (a nuisance to easement landowner), and ability to prevent private land impacts (rutting, etc.) in future. PLSLWD will facilitate coordination with the landowner through design process to ensure proposed design functions with their intended land use.

**Request for Proposals****Ferric Chloride System Assessment and Recommended Updates****System Effectiveness and Alternatives Analysis**

Analyze existing monitoring data to get a confident understanding of system effectiveness. Review EOR Memo (attached) and consider which potential tasks (Task 1-2.7) are still relevant and should be included in the response to this proposal request. In addition, consider whether phosphorus release related to anoxic conditions should be further evaluated and addressed in system updates. Considering current system effectiveness, identify potential modifications, associated costs, and estimate how much more effective these system modifications could be compared to the existing system operation. Provide a list of alternate chemical or filter treatment systems besides ferric chloride and the benefits/drawbacks associated with each alternate system.

**Anticipated Permits**

Identify anticipated permitting that may be necessary for Minimum Functional System Updates, Access Improvements, and any component updates recommended in the Effectiveness and Alternatives Analysis.

**Potential Funding Sources**

Identify any potential funding sources the project may be eligible for.

**Meetings**

For the duration of this project, the Consultant shall coordinate with PLSLWD on attendance and presentation at District meetings (Board and Citizen Advisory Committee). The Consultant shall include a minimum of three District meetings in its scope. Additionally, the Consultant shall attend up to two public/landowner meetings to discuss the project with parties impacted by construction.

**TARGET PROJECT SCHEDULE**

May 3, 2023 – Proposals due.

May 9, 2023 – Seek authorization from District to enter into an agreement with the consultant and proceed with work.

June 1, 2023 – Contracting complete. Project Kickoff meeting.

August 5, 2023 – Useful Lifetime and Minimum System Update Estimate completed (to inform 2024 budget).

Dec 1, 2023 – All deliverables complete.



Request for Proposals  
Ferric Chloride System Assessment and Recommended Updates

### SECTION 3: PROPOSALS

The proposal shall contain the type of information summarized below and shall be limited to 15 pages.

#### Proposal Format

The submittal should follow the Table of Contents listed below:

1. General Information
2. Project Understanding
3. Proposed Project Team and Experience
4. Work Tasks and Proposed Schedule
5. Any Additional Information as Needed
6. Total Consultant Cost

A brief description of each section is included below.

1. General Information  
General information and a brief history of the Consultant's firm. Include similar information on key subconsultants, if any, proposed for the project.
2. Project Understanding  
A summary of the Consultant's understanding of the work.
3. Proposed Project Team and Experience
  - Identify the key project team members and describe their specific roles on the project. Include key team members from subconsultant firms if any.
  - Include one-page resumes only for key members of the project team.
  - Describe relevant experience and provide information on at least three (3) reference projects completed in the last five (5) years. Provide contact information for references.
  - Include specific descriptions of proposed team members' roles on reference projects.
4. Work Tasks and Proposed Schedule  
A proposed schedule from project initiation to final completion of construction. The schedule should include a list of key work tasks, key milestones and approximate dates, and deliverables. The target schedule listed in Section 2 should be understood as a guide for an ideal milestone timeline. Consultant should submit a proposed schedule that is reflective of workload and ability.

Request for Proposals  
Ferric Chloride System Assessment and Recommended Updates

5. Additional Information

Include any other information believed to be pertinent but not specifically requested elsewhere in this RFP.

6. Total Consultant Cost

The consultant cost should be broken out as follows:

- a. Proposed costs for each work task for the project as listed in Section 4.
- b. Hourly rates for all consultant employees who are expected to work on this project. These rates shall be the agreed upon costs for any additional services requested by the District, above what is detailed in the scope of this RFP.
- c. Reimbursable costs including detail of service or item and applicable charge per unit.
- d. Not to Exceed cost for the project.

Proposals that do not include a 'Not to Exceed' cost will be disregarded with no further consideration.

#### **SECTION 4: CONSULTANT SELECTION**

Proposals will be reviewed and evaluated by a team of District staff ("Project Team") on the basis of the following criteria:

1. Consulting firm and key project staff experience with similar projects. In addition to understanding technical issues and having sound technical/engineering expertise, the Consultant must also have an awareness and understanding of the social/political issues that can surround projects of this nature and must possess the personal and leadership skills necessary to navigate the project through the public process.
2. Proven successful management of projects of this nature is required.
3. Proven track record in successfully completing similar projects on time and within budget. Successful experience of both the firm itself and the individual team members will be considered.
4. Proposed approach to completing the project.
5. Proposed consultant cost.

Following review of the Proposals, the Project Team may ask Consultants to make a presentation. Upon conclusion of the evaluation process, the Project Team will make a recommendation to the Board of Managers regarding the selection a Consultant to negotiate a contract with the District as follows:

1. If, for any reason, a firm is not able to commence the services in that firm's Proposal

## Request for Proposals

## Ferric Chloride System Assessment and Recommended Updates

within 30 days of the award, the District reserve the right to contract with another qualified firm.

2. The District shall not be liable for any expenses incurred by the Consultant prior to the signing of a contract including, but not limited to, the proposal preparation, attendance at interviews, or final contract negotiations.
3. The Proposal must be signed in ink by an official authorized to bind the Consultant to its provisions that will be included as part of an eventual contract. The Proposal must include a statement as to the period during which the Proposal remains valid. This period must be at least 90 days from the date of the submittal.
4. The District reserves the right to reject any and all Proposals or to request additional information from any or all of the proposing firms.

**SECTION 5: CONTRACT TERMS AND CONDITIONS**

Upon selection of a Consultant, an Agreement shall be entered into by the District and the Consultant. It is expected that the Agreement will provide for compensation for actual work completed on a not to exceed basis, and the following conditions:

1. Deletions of specific itemized work tasks will be at the discretion of the District. Payment or reimbursement shall be made based on tasks that have been satisfactorily completed. Billing that exceeds the not to exceed amount will not be compensated unless a contract amendment has been approved in advance by the District.
2. The District shall retain ownership of all documents, plans, maps, reports, and data prepared under this proposal. In addition to being provided with hard copy and digital documents throughout the project, upon completion the consultant shall supply the District with files in their original format (Word documents, AutoCAD, GIS, HydroCAD, etc.).
3. If, for any reason, the Consultant is unable to fulfill the obligations under the contract in a timely and proper manner, the District shall reserve the right to terminate the contract by written notice. In this event, the firm shall be entitled to just and equitable compensation for any satisfactory completed work tasks, as determined by the Project Team.
4. The Consultant shall not assign or transfer any interest in the contract without prior written consent of the District.
5. The Consultant shall maintain comprehensive general liability insurance in accordance with coverages listed in the attached Prior Lake-Spring Lake Watershed District Professional Services Agreement Template.
6. The Consultant shall defend, indemnify and hold harmless Prior Lake-Spring Lake Watershed District, its officials, employees and agents, from any and all claims, causes of action, lawsuits, damages, losses or expenses, including attorney fees, arising out of or resulting from the Consultant's (including its officials, agents, subconsultants or employees) performance of the duties required under the contract, provided that any

## Request for Proposals

## Ferric Chloride System Assessment and Recommended Updates

such claim, damages, loss or expense is attributable to bodily injury, sickness, diseases or death or injury to or destruction of property including the loss of use resulting therefrom and is caused in whole or in part by any negligent act or omission or willful misconduct of Consultant.

7. The Consultant contract shall be governed by the laws of the State of Minnesota.
8. Invoices submitted to the District shall include a detailed breakdown of staff members and hours charged, a description of the work completed, mileage, etc. chargeable for the invoice period.
9. If there is a conflict between this section and the terms of the final professional services agreement, the professional services agreement shall prevail.
10. The attached professional services agreement template shall serve as the basis for contract negotiations.

**SECTION 6: CONCLUSION AND SUBMITTAL**

Any requests for additional information that may be needed for the preparation of the proposal should be directed via email to Emily Dick at [edick@plslwd.org](mailto:edick@plslwd.org) by April 26, 2023. No responses will be provided for questions received after that time.

A list of all questions received, and the Project Team's responses will be provided to all persons or firms who were solicited for RFP submission.

Please provide an electronic (pdf) copy of the Proposal for the evaluation process. Proposals must be e-mailed to [edick@plslwd.org](mailto:edick@plslwd.org).

**Proposals will be accepted until May 3, 2023, 4:30 p.m.**

**Attachments:**

- Current Ferric Chloride System Plans
- Ferric Chloride Operations and Maintenance Manual
- Draft 2022 FeCl NPDES Report
- Flow data
- EOR Memo on Recommendations to FeCl System Effectiveness
- PLSLWD Professional Services Agreement Template



<b>Subject  </b>	Cost Share Projects Authorization	
<b>Board Meeting Date  </b>	May 9, 2023	<b>Item No: 4.4</b>
<b>Prepared By  </b>	Emily Dick	
<b>Attachments  </b>	None.	
<b>Proposed Action  </b>	Motion to approve Ernie Moen and Lydia Zion prescribed burn projects for cost share.	

### **Background**

Annually, the District approves a cost share “Docket” with Scott County Soil and Water Conservation District (SWCD) to outline the budgets, process, and types of conservation practices that the District and SWCD will cover. In the 2023 Docket, a decision-making flowchart (Appendix A) outlines projects which can proceed with and without District Board consideration.

SWCD has two proposed prescribed burn projects which must be approved by the District Board due to the fact that prescribed burns are not listed as a “Type I” Practice (a list of practices prioritized by the District, such as well decommission).

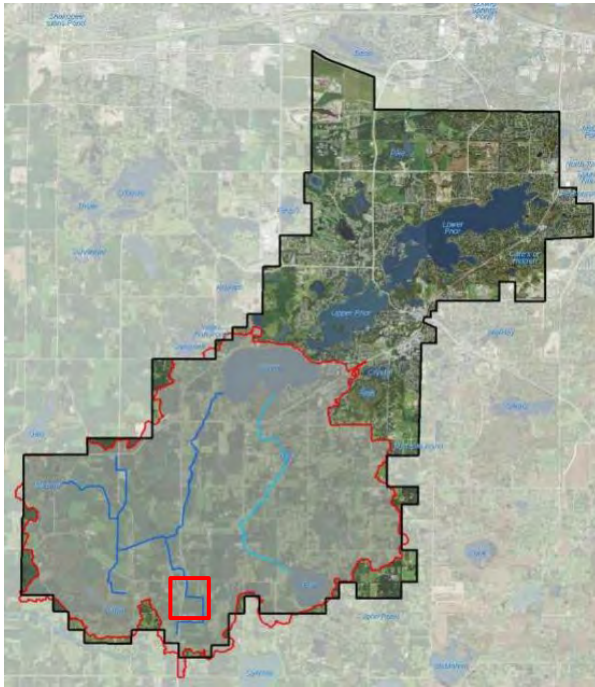
### **Discussion**

The two proposed prescribed burn projects would restore the prairie’s ability to serve the functions of runoff reduction, water quality improvement, and pollinator and wildlife habitat. Although it is difficult to quantify water quality benefits related to these projects, their function would serve that purpose. The projects also represent value as a community education and engagement tool. The total cost to the District of the two projects would be \$390. Detailed project information for the proposed prescribed burns are on the following pages.

### **Recommendation**

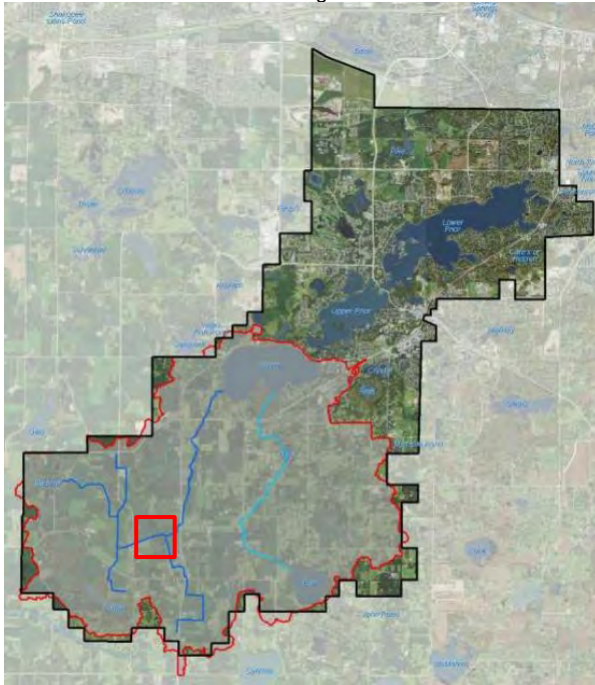
Motion to approve Ernie Moen and Lydia Zion prescribed burn projects for cost share.



**Ernie Moen Prescribed Burn****Total Cost****\$260.00****Sources**

Cooperator:	\$130.00
PLSLWD:	\$130.00
SWCD:	\$0.00
Federal:	\$0.00

**Lydia Zion Methodist Church Prescribed Burn**



### Total Cost

**\$520.00**

### Sources & Amounts

Cooperator:	\$260.00
PLSLWD:	\$260.00
SWCD:	\$0.00
Federal:	\$0.00





**Subject |** Revised Aquatic Plant Management Policy

**Board Meeting Date |** May 9, 2023

**Item No:** 4.5

**Prepared By |** Joni Giese, District Administrator

**Attachments |**

- 1) Revised Aquatic Plant Management Policy – Redline Version (Draft)
- 2) Revised Aquatic Plant Management Policy – No Redlines (Draft)
- 3) Curly-leaf Treatment Coordination with Tier 1 Lake Associations (Draft)

**Proposed Action |** Motion to approve the revised Aquatic Plant Management Policy.

### **Background**

At the February 15, 2023, board meeting, the Board of Managers directed staff to review the current aquatic vegetation policy to determine if it can be revised such that lakeshore owners can coordinate with the District and the District's Curly-leaf pondweed (CLP) treatment contractor in order to get treatments within 150 feet of shore performed concurrently with District's treatments at bulk treatment costs secured by the District, in a manner that is not time burdensome for District staff.

At the April 11, 2023, board workshop, staff presented a draft process for CLP treatment coordination and solicited direction from the Board of Managers on several outstanding issues.

### **Discussion**

Based on direction received from the Board of Managers at the April 11, 2023, workshop, staff prepared a draft revised aquatic plant management policy for Board approval. The revised policy references the Tier 1 lake association coordination, corrects typographical errors, and revises policy verbiage to improve clarity. The revised policy is presented in two formats. One format depicts redline revisions to quickly highlight proposed policy revisions. The second format purely presents the revised policy.

The revised policy is accompanied by a second document titled, Curly-leaf Treatment Coordination with Tier 1 Lake Associations, which outlines the process the district will follow when coordinating CLP treatments with lake associations. The coordination approach has been structured as a separate document that is referenced by the policy. As District staff implement CLP treatment coordination with lake associations, it is expected that practices outlined in the document may need to be refined. A separate document allows for more frequent updates to reflect best practices for lake association coordination without requiring a policy revision.

### **Recommendation**

Staff request the Board of Managers approve the revised Aquatic Plant Management Policy.



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## Prior Lake-Spring Lake Watershed District Aquatic Plant Management Policy

Effective Date: ~~July 12, 2022~~ May 9, 2023

### Purpose and Background

Prior Lake-Spring Lake Watershed District (PLSLWD) 2020-2030 Water Resources Management Plan identifies three guiding principles, two of which directly connect to aquatic plant management:



#### **GUIDING PRINCIPLE #1: To maintain or improve quality of water resources (WQ)**

Maintain or improve water quality in lakes, streams, and wetlands to support healthy ecosystems and provide the public with a wide range of water-based benefits and collaborate with others responsible for groundwater management and protection.



#### **GUIDING PRINCIPLE #2: To manage existing and prevent new Aquatic Invasive Species in the District (AIS).**

Effectively manage existing aquatic invasive species (AIS) that adversely affect the quality of the lakes in the District with public access and take measures to help prevent new AIS from entering these systems.

PLSLWD's current confirmed aquatic invasive plants include Eurasian watermilfoil (EWM) and Curly-leaf pondweed (CLP). CLP is present in all four Tier 1 lakes (Fish, Spring, Upper Prior, Lower Prior) while EWM is in Spring, Upper and Lower Prior Lakes.

- Curly-leaf pondweed generally grows from the shoreline to water depths of 15 feet and can grow up to 15 feet tall. It tolerates low water clarity and will readily invade disturbed areas. Curly-leaf can be distinguished from native pondweeds by its unique life cycle. Turions sprout in the fall, and it is generally the first pondweed to come up in the spring. It typically flowers, fruits, and produces turions in June before dying back in mid-summer. Studies have shown that during summer die offs of CLP, the decomposition process and subsequent release of nutrients internally to the lake can lead to increased algal blooms and reduction in water quality. Since 2007, the District has been actively managing CLP through herbicide treatments and supporting the growth of native aquatic plants through various programs and projects. Treating CLP in late spring may help limit the spread of turions (seeds) and summer die-offs that have greater potential of nutrient release. Treating only dense CLP areas limits the impact on native species.
- Eurasian watermilfoil is a perennial plant that flowers twice a year, usually in mid-June and late-July. It can grow up to 20 feet tall, but typically only grows three to nine feet tall. It creates canopy-like

structures as it grows toward the water's surface. It primarily establishes through vegetative fragmentation—a fragment can break off, settle in the sediment, grow roots, and establish a new plant. The plant dies back in the fall, but the root system can survive the winter and begin growing again in the spring. EWM can be detrimental to native ecosystems by overtaking habitat and outcompeting native plants, however, EWM is not known to be detrimental to water quality and therefore PLSLWD has decided to not treat EWM, but continue to monitor it.

Alum treatments, Best Management Practices, the Ferric Chloride treatment system, and carp removals are additional efforts the District has ~~taken that has led to made towards~~ significant improvements in water clarity ~~that has led to~~ resulting in increased aquatic vegetation in District lakes.

## District Aquatic Plant Management

The following outlines the District's approach for aquatic plant management. Prior Lake-Spring Lake Watershed District:

- **Does not manage native or invasive aquatic plants for recreational or aesthetic purposes.** While recreation and navigation are valued elements of our Tier 1 lakes, they are not in alignment with the PLSLWD priority of focusing District resources on improving water quality.
- **Manage Curly-leaf pondweed for internal nutrient release only.** PLSLWD will manage projected dense populations of CLP based on professionally performed CLP survey results.
- **Does not treat aquatic plants within 150 feet of shore.** State statute allows shoreline owners to treat aquatic plants 150 feet into the lake from their shoreline but requires PLSLWD to obtain consent from all shoreline owners within the treatment zones to treat aquatic plants within 150 feet of the shore. ~~Given the logistic challenge of soliciting and obtaining approvals from numerous shoreline owners on a lake annually, PLSLWD does not seek shoreline owner consent or perform treatments within 150 feet from shore.~~ The District's interpretation of Minnesota Department of Natural Resources (DNR) guidance is that property owners are responsible for aquatic plant treatment within 150 feet of shore.- The District will coordinate with lake associations on CLP treatment for lakes classified as "Tier 1" in the District's Water Resource Management Plan. The process that the District will follow when coordinating CLP treatments with lake associations is outlined in the most recent version of a document titled, *Curly-leaf Pondweed Treatment Coordination with Tier 1 Lake Associations*.
- **May manage aquatic plants to enhance plant diversity and enhance wildlife habitat.**
- **Uses science-based control strategies and methods.** Plant management is an evolving field. PLSLWD uses the latest scientific frameworks for decision-making.
- **PLSLWD will provide education and outreach to residents and lake users to keep people informed how the increase in native aquatic vegetation supports enhanced water quality.**

Lake Shoreline Owners and/or Lake Associations are:

- **Responsible for aquatic plant management within the boundaries of their shoreline property and 150 feet from shore.** Lake Associations and residents are asked to partner with PLSLWD should treatment plans extend ~~dt~~ beyond 150 feet from the shoreline.
- **Responsible for shoreland cleanup of aquatic vegetation.** Unrooted, segmented, and floating vegetation often builds up on shorelines. Shoreline owners are responsible for cleanup. See District

Bog Policy for more information on bogs.

## State Regulations

All aquatic plant management actions taken by PLSLWD are in accordance with the state law. Under Minnesota law, aquatic plants growing in public waters are the property of the state. Because of their value to the lake ecosystem, they may not be destroyed or transplanted unless authorized by the Commissioner of the Department of Natural Resources (DNR) as stipulated in the Aquatic Plant Management Rules. Authorization for control methods used by the District will be permitted through the Minnesota DNR. The online DNR aquatic plant management guide is available here:

<https://www.dnr.state.mn.us/shorelandmgmt/apg/regulations.html> .



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## Prior Lake-Spring Lake Watershed District Aquatic Plant Management Policy

**Effective Date: May 9, 2023**

### Purpose and Background

Prior Lake-Spring Lake Watershed District (PLSLWD) 2020-2030 Water Resources Management Plan identifies three guiding principles, two of which directly connect to aquatic plant management:



#### **GUIDING PRINCIPLE #1: To maintain or improve quality of water resources (WQ)**

Maintain or improve water quality in lakes, streams, and wetlands to support healthy ecosystems and provide the public with a wide range of water-based benefits and collaborate with others responsible for groundwater management and protection.



#### **GUIDING PRINCIPLE #2: To manage existing and prevent new Aquatic Invasive Species in the District (AIS).**

Effectively manage existing aquatic invasive species (AIS) that adversely affect the quality of the lakes in the District with public access and take measures to help prevent new AIS from entering these systems.

PLSLWD's current confirmed aquatic invasive plants include Eurasian watermilfoil (EWM) and Curly-leaf pondweed (CLP). CLP is present in all four Tier 1 lakes (Fish, Spring, Upper Prior, Lower Prior) while EWM is in Spring, Upper and Lower Prior Lakes.

- Curly-leaf pondweed generally grows from the shoreline to water depths of 15 feet and can grow up to 15 feet tall. It tolerates low water clarity and will readily invade disturbed areas. Curly-leaf can be distinguished from native pondweeds by its unique life cycle. Turions sprout in the fall, and it is generally the first pondweed to come up in the spring. It typically flowers, fruits, and produces turions in June before dying back in mid-summer. Studies have shown that during summer die offs of CLP, the decomposition process and subsequent release of nutrients internally to the lake can lead to increased algal blooms and reduction in water quality. Since 2007, the District has been actively managing CLP through herbicide treatments and supporting the growth of native aquatic plants through various programs and projects. Treating CLP in late spring may help limit the spread of turions (seeds) and summer die-offs that have greater potential of nutrient release. Treating only dense CLP areas limits the impact on native species.
- Eurasian watermilfoil is a perennial plant that flowers twice a year, usually in mid-June and late-July. It can grow up to 20 feet tall, but typically only grows three to nine feet tall. It creates canopy-like

structures as it grows toward the water's surface. It primarily establishes through vegetative fragmentation—a fragment can break off, settle in the sediment, grow roots, and establish a new plant. The plant dies back in the fall, but the root system can survive the winter and begin growing again in the spring. EWM can be detrimental to native ecosystems by overtaking habitat and outcompeting native plants, however, EWM is not known to be detrimental to water quality and therefore PLSLWD has decided to not treat EWM, but continue to monitor it.

Alum treatments, Best Management Practices, the Ferric Chloride treatment system, and carp removals are additional efforts the District has taken that has led to significant improvements in water clarity resulting in increased aquatic vegetation in District lakes.

## District Aquatic Plant Management

The following outlines the District's approach for aquatic plant management. Prior Lake-Spring Lake Watershed District:

- **Does not manage native or invasive aquatic plants for recreational or aesthetic purposes.** While recreation and navigation are valued elements of our Tier 1 lakes, they are not in alignment with the PLSLWD priority of focusing District resources on improving water quality.
- **Manage Curly-leaf pondweed for internal nutrient release only.** PLSLWD will manage projected dense populations of CLP based on professionally performed CLP survey results.
- **Does not treat aquatic plants within 150 feet of shore.** State statute allows shoreline owners to treat aquatic plants 150 feet into the lake from their shoreline but requires PLSLWD to obtain consent from all shoreline owners within the treatment zones to treat aquatic plants within 150 feet of the shore. The District's interpretation of Minnesota Department of Natural Resources (DNR) guidance is that property owners are responsible for aquatic plant treatment within 150 feet of shore. The District will coordinate with lake associations on CLP treatment for lakes classified as "Tier 1" in the District's Water Resource Management Plan. The process that the District will follow when coordinating CLP treatments with lake associations is outlined in the most recent version of a document titled, *Curly-leaf Pondweed Treatment Coordination with Tier 1 Lake Associations*.
- **May manage aquatic plants to enhance plant diversity and enhance wildlife habitat.**
- **Uses science-based control strategies and methods.** Plant management is an evolving field. PLSLWD uses the latest scientific frameworks for decision-making.
- **PLSLWD will provide education and outreach to residents and lake users to keep people informed how the increase in native aquatic vegetation supports enhanced water quality.**

Lake Shoreline Owners and/or Lake Associations are:

- **Responsible for aquatic plant management within the boundaries of their shoreline property and 150 feet from shore.** Lake Associations and residents are asked to partner with PLSLWD should treatment plans extend beyond 150 feet from the shoreline.
- **Responsible for shoreland cleanup of aquatic vegetation.** Unrooted, segmented, and floating vegetation often builds up on shorelines. Shoreline owners are responsible for cleanup. See District Bog Policy for more information on bogs.

## State Regulations

All aquatic plant management actions taken by PLSLWD are in accordance with the state law. Under Minnesota law, aquatic plants growing in public waters are the property of the state. Because of their value to the lake ecosystem, they may not be destroyed or transplanted unless authorized by the Commissioner of the Department of Natural Resources (DNR) as stipulated in the Aquatic Plant Management Rules. Authorization for control methods used by the District will be permitted through the Minnesota DNR. The online DNR aquatic plant management guide is available here:

<https://www.dnr.state.mn.us/shorelandmgmt/apg/regulations.html> .

DRAFT



## Prior Lake-Spring Lake Watershed District

### Curly-leaf Pondweed Treatment Coordination with Tier 1 Lake Associations

May 9, 2023

#### Introduction

Prior Lake-Spring Lake Watershed District (PLSLWD) adopted an Aquatic Plan Management Policy on May 9, 2023, that outlines the District's approach for aquatic plant management. The policy states that PLSLWD will coordinate with Tier 1 lake associations on curly-leaf pondweed (CLP) treatment. This document outlines a process by which PLSLWD will coordinate with Lake Associations on Tier 1 Lakes within the District who have expressed interest in working with the District to perform joint treatment of Curly-leaf Pondweed. This document will be updated periodically to reflect best practices for lake association coordination.

#### Lake Association Participation Requirements

- Lake association board designates one representative to speak on behalf of the lake association with PLSLWD.
- Lake association makes a determination whether or not to treat areas within 150 feet of shore within two – three days of notification by PSLWD of selected applicator and associated application costs.
- All correspondence with individual property owners regarding opt-out, delineation, treatment, costs, results within 150 feet of shoreline is handled by the designated lake association representative.

#### Coordination Procedures

The following table outlines procedures that will be followed when the District coordinates CLP treatment with Tier 1 Lake Associations.

Task Description	
1.	Lake association performs opt-out solicitation with individual property owners (Tier 1 lakes only)
2.	Lake association notifies District they want to participate in CLP treatment by January 31 of treatment year
3.	PLSLWD contracts with delineation consultant to perform delineations in Tier 1 Lakes
4.	Delineation of projected dense populations of CLP occurs
5.	Delineation consultant provides CLP delineation (breaks out areas between PLSLWD and lake association) <ul style="list-style-type: none"> <li>• Lake association covers cost of delineation activities within 150 feet of shore</li> <li>• PLSLWD pays delineation invoice and lake association reimburses the district for their portion</li> </ul>
6.	Solicit proposals from applicators for CLP treatment <ul style="list-style-type: none"> <li>• Responding potential applicators provide two proposals               <ul style="list-style-type: none"> <li>○ Beyond 150 feet of shore (PLSLWD)</li> <li>○ Inside 150 feet of shore (Lake association)</li> </ul> </li> <li>• Applicator most favorable to PLSLWD will be selected</li> </ul>

7.	<p>PLSLWD selects CLP treatment applicator</p> <ul style="list-style-type: none"><li>• PLSLWD independently enters into contract with selected applicator for area beyond 150 feet of shore</li><li>• Lake association enters into an independent contract with PLSLWD selected applicator or chooses to not engage with PLSLWD selected applicator.</li><li>• Lake association will use treatment chemical, application rates, and treatment schedule established by PLSLWD with contractor. PLSLWD schedule will not be contingent on timing of lake association decision.</li></ul>
8.	<p>PLSLWD secures DNR aquatic vegetation management permit for both District and lake association</p>
9.	<p>PLSLWD schedules CLP treatment with contractor and treatment occurs</p> <ul style="list-style-type: none"><li>• PLSLWD pays applicator's invoice for treatment beyond 150 feet of shore</li><li>• Lake association pays applicator's invoice for treatment within 150 feet of shore</li></ul>
10.	<p>Delineation consultant performs an assessment of post treatment effectiveness</p> <ul style="list-style-type: none"><li>• Treatment results are not guaranteed</li><li>• Heavy growth can occur outside of delineated areas of projected dense CLP populations (but these areas will not be treated)</li></ul>



<b>Subject</b>	Minnesota Watersheds Membership	
<b>Board Meeting Date</b>	May 9, 2023	<b>Item No:</b> 4.6
<b>Prepared By</b>	Joni Giese, District Administrator	
<b>Attachments</b>	None.	
<b>Proposed Action</b>	Motion to renew membership with Minnesota Watersheds	

### **Background**

Prior Lake-Spring Lake Watershed District decided not to renew membership with Minnesota Watersheds (previously known as Minnesota Association of Watershed Districts) for the years 2022 and 2023.

### **Discussion**

Prior to the April Board of Managers meeting, Minnesota Watersheds sent materials to the District requesting consideration of renewing membership with the organization, highlighting Minnesota Watershed's recently adopted strategic plan, its mission to serve both watershed districts and watershed management organizations, services offered by the organization, and benefits of membership. At the April workshop, and again at the May Board of Managers meeting, Administrator Giese will share her thoughts on membership and recommendation for membership renewal.

After the April workshop, Administrator Giese inquired with Minnesota Watersheds whether the organization would be open to prorated membership dues for June 1 through December 31, 2023, in the amount \$4,375. The organization indicated willingness to accept prorated dues for 2023. Should the Managers approve membership, the 2023 budget will need to be amended at a later date to account for the membership dues.

### **Recommendation**

Staff requests the Board of Managers approve renewal of membership with Minnesota Watersheds.

PRIOR LAKE SPRING LAKE WATERSHED DISTRICT  
Financial Report - Cash Basis  
April 1, 2023 Through April 30, 2023

\*\*Reflects bills paid through April 30, 2023\*\*

Program Element	2023 Source of Funds				2023 Actual Results		
	2023 Levy	Budget Reserve	Grant Funds/Fees	2023 Budget	April 2023	YTD	YTD % of Budget
	<b>General Fund (Administration)</b>						
	<b>Revenues</b>						
Property Taxes	\$ 249,200	\$ -	\$ -	\$ 249,200	\$ -		0%
Grants	-	-	-	-	-	-	#DIV/0!
Interest	-	-	3,000	3,000	-	2,562	85%
Other	-	-	-	-	-	-	#DIV/0!
<b>Total Revenues</b>	<b>\$ 249,200</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 252,200</b>	<b>-</b>	<b>2,562</b>	<b>1%</b>
	<b>Expenditures</b>						
Administrative Salaries and Benefits	\$ 138,000	\$ -	\$ -	\$ 138,000	11,898	45,676	33%
703 - Telephone, Internet & IT Support	13,200	-	3,000	16,200	1,146	4,734	29%
702 - Rent	28,300	-	-	28,300	2,318	11,588	41%
706 - Office Supplies	9,000	-	-	9,000	705	1,559	17%
709 - Insurance and Bonds	14,200	-	-	14,200	-	6,470	46%
670 - Accounting	31,000	-	-	31,000	4,652	10,666	34%
671 - Audit	9,000	-	-	9,000	8,500	8,500	94%
903 - Fees, Dues, and Subscriptions	1,500	-	-	1,500	187	484	32%
660 - Legal (not for projects)	5,000	-	-	5,000	622	1,917	38%
<b>General Fund (Administration) Expenditures</b>	<b>\$ 249,200</b>	<b>\$ -</b>	<b>\$ 3,000</b>	<b>\$ 252,200</b>	<b>30,027</b>	<b>91,593</b>	<b>36%</b>
<b>Net Change in General Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(30,027)</b>	<b>(89,031)</b>	

No assurance is provided on these financial statements

## PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## 2023 Budget

April 1, 2023 Through April 30, 2023

Program Element		2023 Source of Funds			
		2023 Levy	Budget Reserve	Funds/Fees	2023 Budget
	Implementation Fund				
	Revenues				
	Property Taxes	\$ 1,670,736	\$ -	\$ -	\$ 1,670,736
	Grants/Fees	-	-	120,664	120,664
	Interest	-	-	67,200	67,200
	Sales/Other	-	-	-	-
	Budget Reserves	-	\$ 371,200	-	371,200
	Total Revenues	\$ 1,670,736	\$ 371,200	\$ 187,864	\$ 2,229,800
	Expenditures				
	Program Salaries and Benefits (not JPA/MOA)	\$ 492,900	\$ -	\$ -	\$ 492,900
Water Qual	550 Public Infrastructure Partnership Projects	\$ -	\$ -	\$ -	\$ -
Water Qual	611 Farmer-led Council	54,000	-	-	54,000
Water Qual	611 Cost-Share Incentives	58,000	-	-	58,000
Water Qual	611 Highway 13 Wetland, FeCl system & Desilt, O&M	30,800	-	67,200	98,000
Water Qual	611 Fish Management, Rough Fish Removal	94,000	8,900	-	102,900
Water Qual	611 Spring Lake Demonstration Project Maintenance	1,200	-	-	1,200
Water Qual	611 Alum Internal Loading Reserve	220,000	-	-	220,000
Water Qual	611 Fish Stocking	3,000	-	-	3,000
Water Qual	637 District Monitoring Program	81,000	-	-	81,000
Water Qual	626 Planning and Program Development	17,500	-	-	17,500
Water Qual	626 Fish Lake Management Plan Update	30,404	-	50,896	81,300
Water Qual	626 LGU Plan Review	4,000	-	-	4,000
Water Qual	626 Engineering not for programs	15,000	-	-	15,000
Water Qual	626 Debt Issuance Planning	10,000	-	-	10,000
Water Qual	648 Permitting and Compliance	74,000	-	5,000	79,000
Water Qual	648 Update MOAs with cities & county	10,000	-	-	10,000
Water Qual	648 BMP and easement inventory & inspections	9,500	-	500	10,000
Water Qual	626 Upper Watershed Blueprint	122,332	362,300	39,868	524,500
Water Qual	626 District Plan Update	2,500	-	-	2,500
	WQ TOTAL	\$ 837,236	\$ 371,200	\$ 163,464	\$ 1,371,900
Water Storage	550 District-wide Hydraulic & Hydrologic model	\$ 5,000	\$ -	\$ -	\$ 5,000
	WS TOTAL	\$ 5,000	\$ -	\$ -	\$ 5,000
AIS	611 Aquatic Vegetation Mgmt	5,600	-	\$ 9,400	\$ 15,000
AIS	637 Automated Vegetation Monitoring (BioBase)	\$ 2,000	-	-	2,000
AIS	637 Aquatic Vegetation Surveys	5,500	-	-	5,500
AIS	637 Boat inspections on Spring, Upper & Lower Prior	17,000	-	15,000	32,000
	AIS TOTAL	30,100	-	24,400	54,500
Ed & Out	652 Education and Outreach Program	\$ 40,000	\$ -	\$ -	\$ 40,000
	E&O TOTAL	\$ 40,000	\$ -	\$ -	\$ 40,000
	PLOC Contribution	\$ 185,500	\$ -	\$ -	\$ 185,500
	Debt Payment Reserve	80,000	-	-	80,000
	Total Implementation Fund	\$ 1,670,736	\$ 371,200	\$ 187,864	\$ 2,229,800
	Net Change in Fund Balance Implementation Fund	-	-	-	-

\*\*Reflects bills paid through April 30, 2023\*\*

2023 Actual Results		
April 2023	YTD	YTD % of Budget
-	-	0%
-	41,403	34%
10,806	21,192	32%
-	2,254	#DIV/0!
-	-	0%
10,806	64,849	3%
28,309	118,646	24%
-	-	#DIV/0!
448	1,420	3%
-	-	0%
1,691	1,797	2%
7,346	18,848	18%
-	-	0%
-	-	0%
-	-	0%
735	2,006	2%
2,798	6,222	36%
-	1,429	2%
-	-	0%
1,027	4,887	33%
-	-	0%
3,048	5,916	7%
337	1,011	10%
-	-	0%
5,841	7,394	1%
-	-	0%
23,270	50,930	4%
-	-	0%
-	-	0%
-	-	0%
-	-	0%
-	-	0%
-	-	0%
-	15	0%
\$ -	\$ 15	0%
-	185,421	100%
-	-	0%
51,578	355,012	16%
(40,772)	(290,164)	

<b>Grant Funds/Fees Anticipated</b>					
Water Qual	611 Farmer-led Council (SWCD)			-	-
Water Qual	611 Farmer-led Council (BWSR Grant)			\$ -	\$ -
	Interest Income (general fund & Implementation fund)			\$ 70,200	\$ 70,200
	648 New Easement Acquisition Fees			5,000	5,000
Water Qual	648 Easement Amendment/violations fees			500	500
	626 UWB (BWSR Lower MN River South (WBIF-grant)			3,958	3,958
	Fish Lake Mgmt Plan & Swamp IESF Feas. ('23 WBIF Grant)			82,806	82,806
	Spring Lake Twship Contribution (Fish Lake Mgmt Plan)			4,000	4,000
	550 S&I Sutton Lake Outlet (DNR Flood Hazard Grant)			-	-
	AIS Grant for Upper Prior Lake (DNR Grant)			4,335	4,335
AIS	611 Aquatic Vegetation Mgmt. (Scott County)			20,065	20,065
	<b>Total Grant Funds/Fees Anticipated</b>			<b>\$ 190,864</b>	<b>\$ 190,864</b>

No assurance is provided on these financial statements

**PLSLWD Monthly Treasurers Report**

Treasurer: Christian Morkeberg

*Account balances as of 04/30/2023*

4M Fund (Checking Account)	\$	1,434,672
4M Fixed Income	\$	1,165,407
Total Uncleared Transactions	\$	-
<b>SUBTOTAL</b>	<b>\$</b>	<b>2,600,079</b>

**RESTRICTED/COMMITTED FUNDS**

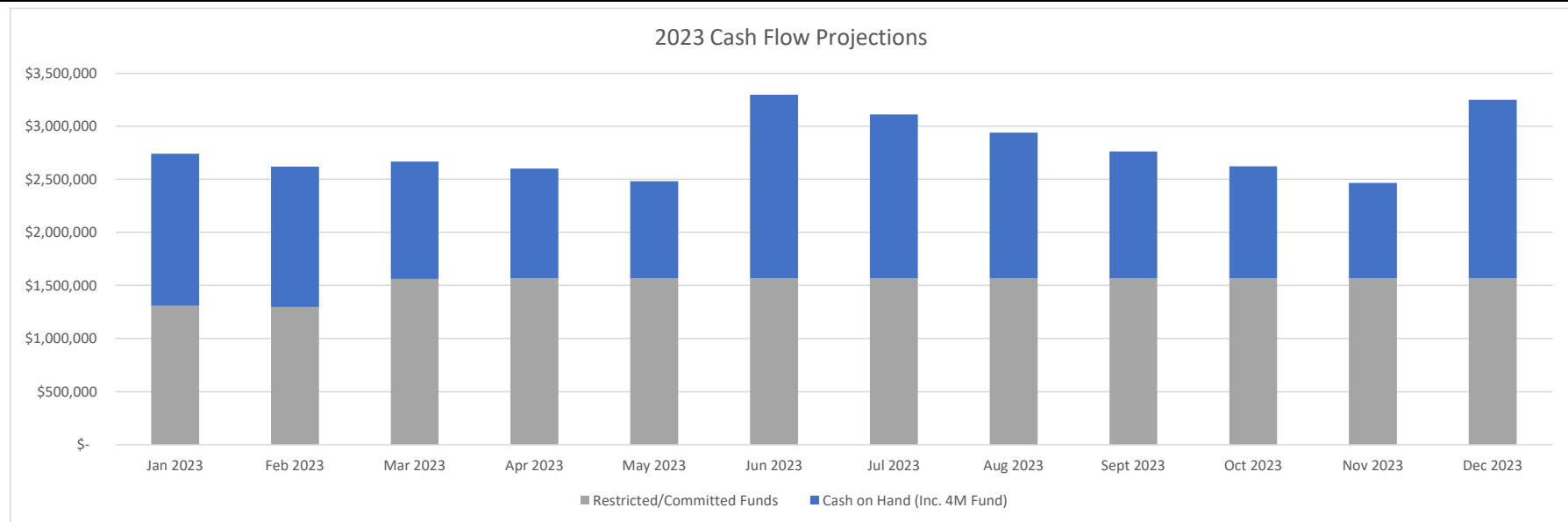
Restricted - Permit Deposits, etc. (350 & 360)	\$	136,893
Restricted - PLOC Contingency Reserve (850)	\$	260,000
Restricted - PLOC O&M Funds (830)	\$	229,145
Committed - Alum Internal Loading Reserve	\$	480,000
Committed - Upper Watershed Blueprint Fund Balance	\$	362,300
Committed - Debt Payment	\$	100,000
<b>TOTAL DISTRICT/PLOC RESTRICTED OBLIGATIONS</b>	<b>\$</b>	<b>1,568,338</b>

<b>Available cash at end of April 2023</b>	<b>\$</b>	<b>1,031,741</b>
--	-----------	------------------

*41.7% of 2023 Budget***No assurance is provided on these financial statements**

## Cash Flow Chart

Month (End of Month)	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023
Cash on Hand (Inc. 4M Fund)	\$1,431,758	\$1,320,069	\$1,107,290	\$1,031,741	\$ 912,599	\$1,727,663	\$1,543,536	\$1,371,687	\$1,193,799	\$1,052,692	\$ 897,573	\$1,681,099
Restricted/Committed Funds	\$1,308,754	\$1,298,440	\$1,560,558	\$1,568,338	\$ 1,568,338	\$1,568,338	\$1,568,338	\$1,568,338	\$1,568,338	\$1,568,338	\$1,568,338	\$1,568,338
Total Cash on Hand	\$2,740,512	\$2,618,509	\$2,667,848	\$2,600,079	\$ 2,480,937	\$3,296,001	\$3,111,874	\$2,940,025	\$2,762,137	\$2,621,030	\$2,465,911	\$3,249,437





## PLSL Watershed District

Starting cash on hand

Cash Minimum Balance Alert \$ 150,000

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Total
Cash on hand (beginning of month)	\$ 2,822,334	\$ 2,740,512	\$ 2,618,509	\$ 2,667,848	\$ 2,600,079	\$ 2,480,937	\$ 3,296,001	\$ 3,111,874	\$ 2,940,025	\$ 2,762,137	\$ 2,621,030	\$ 2,465,911	

### Cash Receipts

Property Tax Levy	\$ 15,415	\$ -	\$ -	\$ -	\$ -	\$ 959,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 959,968	\$ 1,935,351
BWSR WBIF	-	-	41,403	-	-	-	-	-	-	33,122	-	-	74,525
BWSR BWF - Lower MN River South	-	-	-	-	-	-	-	-	-	-	-	-	-
DNR Flood Hazard Mitigation Grant	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants - Other	-	-	-	-	-	-	-	4,335	-	-	20,065	-	24,400
PLOC Contributions	-	-	287,598	-	33,717	-	-	-	-	-	-	-	321,315
Interest Income	5,631	5,108	5,749	10,806	5,850	5,850	5,850	5,850	5,850	5,850	5,850	5,850	74,094
Other Receipts	-	-	2,000	-	500	1,000	1,000	1,000	1,000	1,000	-	4,000	11,500
Total Cash Receipts	\$ 21,046	\$ 5,108	\$ 336,750	\$ 10,806	\$ 40,067	\$ 966,818	\$ 6,850	\$ 11,185	\$ 6,850	\$ 39,972	\$ 25,915	\$ 969,818	\$ 2,441,185
Total Cash Available	\$ 2,843,380	\$ 2,745,620	\$ 2,955,259	\$ 2,678,654	\$ 2,640,146	\$ 3,447,755	\$ 3,302,851	\$ 3,123,059	\$ 2,946,875	\$ 2,802,109	\$ 2,646,945	\$ 3,435,729	

### Cash Paid Out

Salaries and Per Diems	\$ 28,453	\$ 38,504	\$ 60,801	\$ 39,421	\$ 56,658	\$ 56,658	\$ 56,658	\$ 56,658	\$ 56,658	\$ 56,658	\$ 56,658	\$ 56,658	\$ 620,446
Office Expense, Audit, Accounting	7,787	3,932	7,957	18,361	19,199	11,743	15,967	8,024	9,727	6,069	6,024	11,274	126,064
PLSLWSD Program Costs	66,307	74,361	24,771	17,173	70,100	70,100	105,100	105,100	105,100	105,100	105,100	105,100	953,412
PLOC Contribution	-	-	185,421	-	-	-	-	-	-	-	-	-	185,421
PLOC Operations	321	10,314	8,461	3,620	13,252	13,252	13,252	13,252	13,252	13,252	13,252	13,259	128,739
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 102,868	\$ 127,111	\$ 287,411	\$ 78,575	\$ 159,209	\$ 151,753	\$ 190,977	\$ 183,034	\$ 184,737	\$ 181,079	\$ 181,034	\$ 186,291	\$ 2,014,082
Cash on Hand (end of month)	\$ 2,740,512	\$ 2,618,509	\$ 2,667,848	\$ 2,600,079	\$ 2,480,937	\$ 3,296,001	\$ 3,111,874	\$ 2,940,025	\$ 2,762,137	\$ 2,621,030	\$ 2,465,911	\$ 3,249,437	



<b>Subject  </b>	Quarterly Report of Investment Activities	
<b>Board Meeting Date  </b>	May 9, 2023	<b>Item No:</b> 5.2
<b>Prepared By  </b>	Joni Giese, District Administrator	
<b>Attachments  </b>	None.	
<b>Proposed Action  </b>	No action requested. For discussion only.	

### **Background**

The Prior Lake-Spring Lake Watershed District (PLSLWD) Investment Policy and Procedure Manual – Investment of Watershed District Funds states at least quarterly, the District Administrator shall submit a written report of investment activities to the Board of Managers. The intent of this memorandum is to meet this District governance requirement.

### **Discussion**

As of April 30, 2023, \$1436,685 (55.2%) of PLSLWD funds are maintained in a money market account earning interest at a rate of 4.844%. \$476,450 (18.3%) of District funds are invested in two certificates of deposit earning interest ranging from 4.34% - 5.25%. The remaining District funds of \$688,957 (26.5%) are invested in securities earning interest ranging from 4.16% - 4.41%. The time and dollar weighted average portfolio yield on fixed rate investments is 4.7%.

The CD's and securities are structured to mature using a ladder approach with a portion of the funds maturing every three months. The most recent maturity and reinvest period occurred in April. The next maturity period will occur in late June. Using a ladder approach reduces interest rate market risk and provides availability of funds for current obligations. The weighted average portfolio maturity of fixed rate investments is 187 days.

All investments are managed through the 4M Fund, which ensures investment activity is in compliance with State Statutes and District policies.

Per the April 30, 2023, Treasurers Report, 58% of the District's funds are classified as either restricted or committed funds.



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## WORKSHOP MEETING MINUTES

*Tuesday, April 11, 2023*

*Prior Lake City Hall*

*4:00 PM*

### Members Present:

Frank Boyles, Christian Morkeberg, Ben Burnett, Matt Tofanelli  
(Virtual attendance: Bruce Loney)

Manager Loney used interactive technology from the following remote location that is open and accessible to the public:

16089 N Bullard Ave  
Surprise, AZ

### Staff & Consultants Present:

Joni Giese, District Administrator  
Emily Dick, Water Resources Project Manager  
Jeff Anderson, Water Resources Coordinator  
Carl Almer, District Engineer, EOR

### Others Present:

Jim Fitzsimmons, SWCD  
Jody Brennan, Scott County  
Lisa Quinn, Spring Lake Township  
Wesley Steffens, Spring Lake Association

The meeting was called to order at 4:11 PM.

### **Closed Meeting Disclosure**

State statute allows for closed meetings to discuss sensitive matters, provided that a summary is given at the open meeting and location is disclosed. The location discussed was included in the meeting packet materials. As a summary, the closed meeting discussed approval of negotiation amounts for a potential wetland enhancement project. The meeting was recorded and shall be retained for eight years.

### **Board Expectations of CAC**

The Board discussed the Citizen Advisory Committee (CAC) role and function relative to advising the District (and Board of Managers). One outlook discussed was that the CAC should provide the Board with advice on ideas that are not already on the Board's radar. Another outlook discussed

was that the Board should give CAC direction on the areas they are interested in further advice and information. Board managers expressed that it is probably a combination of these two outlooks, and that the bylaws have both approaches expressed as CAC roles.

There was agreement that early and often communication best serves this relationship and functionality of advising. The Board should hear CAC ideas early and give feedback early. Discussion outlined desires for clarity on how to encourage and build in room for CAC-Board collaboration.

### **Revised Aquatic Vegetation Policy – Status Update**

District Administrator Giese provided an update on a proposed revision to the Aquatic Plant Management Policy to include room for collaboration with lake associations to coordinate treatment of vegetation within 150 feet of shore. The District reviewed the 2022 Curly-leaf pondweed treatment schedule in order to give context for the areas of coordination that will require a tight timeline such as seeking quotes from applicators, applying for permits with DNR, executing contracts and setting treatment areas. In 2022, there was only one day warning for treatment in order to treat in appropriate temperature levels. District staff also reviewed the process for selecting treatment areas. Currently the District only treats for “heavy growth” areas that are large enough to treat.

A draft policy for Curly-leaf pondweed Treatment Coordination with Lakeshore Owners was presented. The proposed policy establishes roles for the District and Lake Associations. In the draft policy, the lake associations would be responsible for organizing individual landowners, and funding their portion of delineation and treatment. The District would apply for the permits for treating the entire area, including the lake association areas. The proposed policy outlines contracting and payment processes with both the vegetation delineator and the treatment applicator. The District would set the schedule, chemical, and rate of application of treatment.

Board discussed whether the policy should be expanded to Tier 1 lakes without a lake association, and it was determined at this time to test the policy in 2024 with lake associations on Tier 1 lakes. The Board also discussed leaving lake associations the option to treat “moderate growth” areas although the District only treats “heavy growth” areas.

Staff will bring this policy to a future board meeting to be approved and added as an attachment to the approved Aquatic Plant Management Policy.

### **Fish Lake Management Plan Update – Status Update**

Project Manager Emily Dick presented an update on the Fish Lake Management Plan Update. Fish Lake had a lake management plan done in 2006, which attributes the water quality problem to internal loading. In contrast, MPCA published a TMDL WRAPs report that attributed water quality problems primarily to external loading. In order to have an informed approach at improving water quality on Fish Lake, the District will need to conduct updated work to bridge the results of these two previous reports. EOR has been contracted to lead the updated lake management plan. Updating the plan will require three main project elements: updated lake assessment data analysis, outreach and feedback from stakeholders, and preparing an updated Fish Lake Management Plan.

Board discussed planning a joint Board and Spring Lake Township Workshop. The Board expressed that they are generally available meet on November 14<sup>th</sup> 3-4 pm prior to the Board workshop. Staff will follow up with Spring Lake Township to see if they are available November 14<sup>th</sup> 3-4 pm.

### **Evaluation of Progress on Water Resource Management Plan Goals**

Project Manager Emily Dick presented an overview of how the District tracks its progress on its Water Resource Management Plan. In the District's latest plan, it establishes a "dashboard" for each goal as a metric for success of each goal.

All of the goals were reviewed and assessed for progress on the goal. Overall, the District is doing well on the majority of its goals. Areas which may require more focus are wetland protection and restoration, and groundwater protection. There are some goals that may be worth considering adjusting if an amendment to the plan occurs, such as adjusting carp population goals to more realistic targets.

### **Minnesota Watersheds Membership**

District Administrator Giese presented updated information on Minnesota Watersheds (formerly Minnesota Association of Watershed Districts) for consideration by the Board Managers. Minnesota Watersheds has a new executive director, has developed a new legislative platform, and provides value in collaboration with other Districts, operating guidance, advertising job postings, and legislative updates.

The Board requested that the Administrator research whether a pro-rated membership rate for this year is available, and bring a proposal for membership in 2023 (pro-rated) or 2024 for Board consideration and voting at the next Board meeting.

### **Staffing Update**

The Water Resource Specialist position is posted, and the District will begin reviewing applications April 14<sup>th</sup>. Two summer interns have been selected and begin on May 24<sup>th</sup>.

### **Liaison Updates**

Jim Fitzsimmons from Scott SWCD liaison reported that they met with the MASWCD and legislators recently and discussed that there is 22 million dollars available statewide that Scott SWCD may be able to utilize in collaboration with the District.

*CAC-* Elected a new Chair, discussed bylaws and the role of CAC.

*Scott County-* Renfest is scheduled. Landfill project may interact with water quality in the WMO's jurisdiction.

*Scott SWCD-*Willing to volunteer on any carp seines.

*Lower Minnesota Watershed District-* Passed some new education material

*Sand Creek Township-* Discussed Swamp Lake project and Sutton Lake Management Plan.

*Spring Lake Township-* Meeting later this week.

*Scott WMO-* No meeting this last month.

*Shakopee-* Election of another councilmember today.

*SCALE-* Discussed future of training facility.

*Scott County Planning Commission*- Considered Comprehensive Plan amendment, the public comment period was very active. The Commission approved the request for the Plan amendment and directed the City of Prior Lake and Spring Lake Township to work together on a solution for providing sewer and water and address annexation.

Respectfully Submitted,  
Emily Dick  
5/3/2023

DRAFT



# PRIOR LAKE SPRING LAKE WATERSHED DISTRICT

## REGULAR MEETING MINUTES

*Tuesday, April 11, 2023*

*Prior Lake City Hall 6:00 PM*

Members Present: Frank Boyles, Christian Morkeberg, Matt Tofanelli, Ben Burnett

Members Absent: Bruce Loney

Staff & Consultants Present: Joni Giese, District Administrator  
Emily Dick, Water Resources Project Manager  
Shauna Capron, Water Resources Technician  
Carl Almer, EOR, District Engineer

Others Present: Jody Brennan, Scott County Commissioner  
Lisa Quinn, Spring Lake Township  
Nick Monserud, City of Prior Lake  
Joe Hale, Scott SWCD

### • 1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE

- Meeting was called to order by Vice President Boyles at 6:08 pm everyone present recited the Pledge of Allegiance.

### • 2.0 PUBLIC COMMENT

- None

### • 3.0 APPROVAL OF AGENDA

- Motion to approve amended agenda by Manager Burnett; second by Manager Tofanelli; Motion carried, 4-0.

### • 4.0 OTHER OLD/NEW BUSINESS

#### 4.1 Programs & Projects Update

- Staff provided a report of its many activities the preceding month, and upper watershed projects.

#### 4.2 Permit Application 23.01 Fish Point Road Phase 2

- Presented by Nick Monserud, City of Prior Lake
- Motion to approve Option #1 (Approve the application for Phase 2 subject to conditions noted in the Permit Application and Staff Review Comments) by Manager Burnett; second by Manager Tofanelli; motion carried, 4-0.



**4.3 Sutton Lake Management Plan Approval**

- Motion to approve Sutton Lake Management Plan by Manager Morkeberg; second by Manager Burnett; motion carried, 4-0.

**4.4 Buck Wetland Enhancement Feasibility Study Approval**

- Motion to approve by Manager Morkeberg; second by Manager Tofanelli; motion carried, 4-0.

**4.5 2022 Annual Report Approval**

- Motion to approve by Manager Burnett; second by Manager Tofanelli; motion carried, 4-0.

**4.6 Resolution 23-368: Amending the 2023 Budget to Reclass Funds from 509-Implementation Fund, 570 – 573 Program Salaries and Benefits to 648-Permitting and Compliance**

- Motion to approve by Manager Morkeberg; second by Manager Tofanelli; motion carried, 4-0.

**Resolution 23-369: Amending the 2023 Budget, 611-Fish Management, Rough Fish Removal Budget Line Item**

- Motion to approve by Manager Burnett; second by Manager Morkeberg; motion carried, 4-0.

**• 5.0 TREASURER'S REPORT**

Treasurer Morkeberg summarized the financial information contained in the packet including:

**5.1 Monthly Financial Reports**

- Financial Report
- Treasurers Report
- Cash Flow Projections

**5.2 Quarterly Financial Reports**

- Balance Sheet
- Cost Analysis
- Motion to approve Financial Reports by Manager Tofanelli; second by Manager Burnett; motion carried, 4-0.

**• 6.0 CONSENT AGENDA**

**6.1** Meeting Minutes – March 14, 2023, Board Workshop

**6.2** Meeting Minutes – March 14, 2023, Board Meeting

**6.3** Meeting Minutes – January 26, 2023, CAC Meeting

**6.4** Claims List & Visa Expenditures Summary

**6.5** League of Minnesota Cities Liability Coverage Waiver

**6.6** Blue Water Science Aquatic Plant Survey Contract

**6.7** Three Rivers Park District Water Quality Monitoring Contract

**6.8** PLSLWD Website Redesign Request for Proposals

**6.9** Ferric Chloride System Assessment Request for Proposals

- Motion to approve Consent Agenda by Manager Burnett; second by Manager Morkeberg; motion carried, 4-0.

- **7.0 UPCOMING MEETING/EVENT SCHEDULE:**

- CAC Meeting, Thursday, April 27, 2023, 6:00 pm (Prior Lake City Hall – Wagon Bridge Conference Room)
- Board of Managers Workshop, Tuesday, May 9, 2023, 4:00 pm (Prior Lake City Hall – Parkview Conference Room)
- Board of Managers Meeting, Tuesday, May 9, 2023, 6:00 pm (Prior Lake City Hall – Council Chambers)

- **8.0 ADJOURNMENT**

- Motion to adjourn by Manager Tofanelli; second by Manager Burnett; motion carried, 4-0.
- Meeting adjourned at 6:53 pm

Respectfully Submitted,  
Ben Burnett, PLSLWD Secretary, 5/2/23



### CAC Meeting Minutes

Thursday March 30, 2023  
6:25-7:30 PM

#### Attendees:

CAC Members: 4 of 7 members present = 57% (≥50%)  
☐ Christopher Crowhurst (Chair)      ☒ Woody Spitzmueller  
☒ Matt Newman      ☒ Loren Hanson (Vice Chair)  
☐ Maureen Reeder      ☐ Curtis Witt  
☒ Ron Hoffmeyer  
 Staff: Emily Dick  
 Board members: Matt Tofanelli

#### CAC Business 6:00 (Meeting called to order at 6:25)

- Approval of the agenda: Motion: Matt / Second: Ron / Passed
- Approval of January Minutes Motion: Woody / Second: Loren / Passed
- Review of Board Meetings: Matt Tofanelli
  - Funding request for relining of outlet pipe has been made. If approved 2024 would be the soonest work could occur. If the lining is completed outflow would likely improve by 10%. Board feels that this is the most effective way to manage flood control. Discussions on water and sewer issues continue. Estimated to be \$2.5 Million.
  - Discussions on permitting process with the city to become more efficient.
  - Discussions on Sutton Lake management on draw downs.
  - Discussions on working closer with Soil and Water to improve performance.
  - Discussions on increasing boat inspections.
  - Discussions on aquatic plant report card throughout the watershed.
  - Discussions on wake boats as it relates to water quality. City of Prior Lake controls no-wake zones on Upper/Lower Prior and Spring Lakes.
- Vote on CAC Chair, for 2023
  - Loren offered to take over the position.
  - Move to move Vice Chair Loren to Chair. Motion: Matt / Second: Woody / Passed
  - Delayed vote on Vice Chair until next meeting.
- Discuss CAC Role
  - Discussion around land to be purchased for water storage. Lead by Matt.
  - Various member joined for reasons from water quality, water storage, shoreline protection.
  - Do we need sub committees?
  - Help the Watershed look for items that they may be blind to or not prioritizing.
  - CAC should be working on their priorities.
  - Provide new ideas to PLSLWD.

- PLSLWD staff is directed by Joni.
  - Staff does not want to be in-between CAC and Board. Needs to be better clarified on how items from CAC should be brought to the board.
- Vote on Representative for Bylaws Committee
  - Discussion around whether bylaws are needed or not.
  - Discussion that bylaws seem to be fine. No real pressing matter to make additional changes at this time.
  - Motion to postpone any changes until next meeting with more members. Motion Matt / Second / Woody / passed
- Miscellaneous discussion around Alum vs. Plant harvesting.
- Staff Project Updates
  - Shared list of all projects
  - Sutton Lake management plan.
    - DNR reversed opinion on cattail management.
    - Monitoring effects of drought conditions
    - Final plan to be submitted for Board approval at April meeting
  - Fish Lake
    - 2 phase project on managing phosphorous.
  - PLOC Update
  - Carp management update.
    - 11,700 LBs removed.
- Actions to discuss next meeting:
  - Review roles
  - Bylaws decision
  - Vice Chair

Motion to adjourn at 7:35pm – motion Woody / second Matt / approved

## Prior Lake Spring Lake Watershed District

### Claims list for Invoice Payments due for the prior month

Managers will consider approving this claims list - Staff payroll and benefits, Manager per diems, and Health insurance premiums have already been paid via ACH transfers. After the managers vote, two Managers will approve individual payments via BILL within three days of the meeting for approved claims. Then, staff will release payment via BILL to the claims list parties.

Vendor	Invoice Link	Description	Amount
<b>1. Watershed District Projects (excluding staff payroll)</b>			
Vessco	<a href="#">X</a>	Dewinterization	\$ 1,892.67
RMB	<a href="#">X</a>	Chloride	\$ 78.41
SWCD	<a href="#">X</a>	Task 1 - TACS Services	\$ 13,372.50
		Task 2 - FLC Services, Cost Share	\$ 15,615.00
		Task 3 - Monitoring Services DMP	\$ 245.00
		Task 4 - Permitting	\$ 3,275.50
		Task 4 - Permitting	\$ 910.00
		Task 5 - Education Programming	\$ 2,065.00
		Task 6 - Upper Watershed	\$ 2,032.50
WSB	<a href="#">X</a>	Project Management, Carp Removal, Data and Reporting	\$ 10,947.75
EOR	<a href="#">X</a>	General Engineering	\$ 1,702.50
		Fish Lake Management Plan Update	\$ 6,360.50
		Permitting	\$ 1,435.50
		District Monitoring Program	\$ 989.50
		<b>Subtotal</b>	<b>\$ 60,922.33</b>
<b>2. Outlet Channel - JPA/MOA (excluding staff payroll)</b>			
EOR		2023 PLOC Engineering Assitance - segment 1	\$ 422.20
		2023 PLOC Engineering Assitance - channel wide	\$ 99.00
		2023 PLOC Vegetation/Stability Inspections	\$ 129.75
		<b>Subtotal</b>	<b>\$ 650.95</b>
<b>3. Payroll, Office and Overhead</b>			
ADP Manager Per Diems			\$ 1,150.76
ADP Staff Payroll			\$ 18,905.83
ADP Taxes & Benefits			\$ 12,955.31
NCPERS	<a href="#">X</a>	May Life Insurance Premiums	\$ 80.00
Reliance Standard	<a href="#">X</a>	May LTD and STD Premiums	\$ 706.14
HealthPartners	<a href="#">X</a>	Health Insurance Premiums	\$ 7,361.70
City of Prior Lake	<a href="#">X</a>	Rent (June 2023)	\$ 2,317.50
ABDO	<a href="#">X</a>	Final payment for Audit	\$ 3,000.00
CLA	<a href="#">X</a>	Monthly Accounting - 15.25 hours	\$ 1,375.00
		Technology and Client Support Fee	\$ 85.15
		Bill.com fees for February-April 2023	\$ 181.42
		Monthly Payroll processing	\$ 328.00
League of Minnesota Cities	<a href="#">X</a>	Worker's Comp coverage 2023	\$ 3,923.00
Rymark	<a href="#">X</a>	April Billing (10 workstations)	\$ 1,001.65
Metro Sales	<a href="#">X</a>	Contract base rate 3/8-4/7/2023	\$ 155.00
VISA		March-April Billing	\$ 1,102.75
		<b>Subtotal</b>	<b>\$ 54,629.21</b>
		<b>TOTAL</b>	<b>\$ 116,202.49</b>

Prior Lake-Spring Lake Watershed District  
VISA Transactions 3/24/2022-4/23/2023

Trans Date	Merchant Name	Amount	Receipt Link	Staff Approval	Class	Customer	Expense	Description
3/26/2023	ADOBE CREATIVE CLOUD	\$110.54	<a href="#">x</a>	Patty Dronen	626 Planning	Planning and Program Development	903 Dues/Fees/Subscriptions	Software
3/26/2023	U OF M CONTLEARNING OL	\$175.00	<a href="#">x</a>	Shauna Capron	626 Planning	Training	904 Staff & Board Training	ALS Detectors Core Course
3/28/2023	IRONCLAD STORAGE	\$220.00	<a href="#">x</a>	Jeff Anderson	611 Operations & Maintenance	Fish Mgmt - Equipment, Storage & Maintenance	876 Field Equipment & Maintenance	Equipment storage
3/29/2023	CARIBOU COFFEE CO #1302	\$7.07	<a href="#">x</a>	Emily Dick	626 Planning	Planning and Program Development	902 Meals and Lodging	Coffee meeting
4/2/2023	ESP WELL SUPPLY	\$165.76	<a href="#">x</a>	Shauna Capron	637 Monitoring & Research	Lake Level Monitoring	876 Field Equipment & Maintenance	
4/4/2023	VZWRLSS*APOCC VISB	\$28.08	<a href="#">x</a>	Jeff Anderson	648 Regulation	LGU Permit & Inspections	876 Field Equipment & Maintenance	cell data
		\$30.16		Jeff Anderson	PLOC 839	PLOC Equipment & Maintenance	876 Field Equipment & Maintenance	cell data
		\$15.08		Jeff Anderson	611 Operations & Maintenance	Fish Mgmt - Equipment, Storage & Maintenance	876 Field Equipment & Maintenance	cell data
4/4/2023	PRIOR LAKE ACE HDWE	\$142.64	<a href="#">x</a>	Jeff Anderson	637 Monitoring & Research	Lake Level Monitoring	876 Field Equipment & Maintenance	Hardware
4/11/2023	MICROSOFT#G021332216	\$4.99	<a href="#">x</a>	Patty Dronen	626 Planning	Planning and Program Development	903 Dues/Fees/Subscriptions	software
4/13/2023	GROUP GREETING	\$5.36	<a href="#">x</a>	Shauna Capron	405 General Fund		710 Office Expense Other	sympathy card
4/13/2023	JIMMYJOHNS	\$79.58	<a href="#">x</a>	Patty Dronen	626 Planning	Planning and Program Development	902 Meals and Lodging	Board meal
4/13/2023	USPS	\$30.35	<a href="#">x</a>	Patty Dronen	611 Operations & Maintenance	Fish Mgmt - Carp Removals-Electrofishing	901 Mailings	International mailing charges
4/13/2023	SHELL	\$87.47	No receipt - see note	Jeff Anderson	637 Monitoring & Research	Equipment Storage & Maintenance	801 Gas, Mileage	Gas. Staff did not get a receipt for this purchase. Still working with vendor to acquire.
4/18/2023	GROUP GREETING	\$5.36	<a href="#">x</a>	Patty Dronen	405 General Fund		710 Office Expense Other	birthday card
	Finance Charges	\$43.37		Patty Dronen	405 General Fund		903 Dues/Fees/Subscriptions	
	Finance Charge Credit	(\$48.06)		Joni Giese	405 General Fund		903 Dues/Fees/Subscriptions	
	<b>TOTAL</b>	<b>\$1,102.75</b>						

**PLSLWD Board Staff Report**

May 3, 2023


**PRIOR LAKE  
SPRING LAKE  
WATERSHED DISTRICT**

<b>Subject  </b>	Hunters Pass Development Agreement & Conservation Easement	
<b>Board Meeting Date  </b>	May 9, 2023	<b>Item No: 6.5</b>
<b>Prepared By  </b>	Troy Kuphal, Scott SWCD	
<b>Attachments  </b>	1) Project Location Map 2) Hunters Pass Development Agreement 3) Hunters Pass Conservation Easement	
<b>Proposed Action  </b>	Motion to approve the Hunters Pass Development Agreement for execution by the District Administrator.  Motion to approve the Hunters Pass Conservation Easement for execution by the District Administrator subject to the conditions listed in the PLSLWD Board Staff Report.	

**Background**

District Rule J requires the establishment of a vegetated buffer around wetlands and watercourses for the purpose of maintaining the long-term health and function of these resources. Rule J also requires the establishment of a permanent conservation easement over the buffers.

The conservation easement process includes acquiring a development agreement in conjunction with a conservation easement. The development agreement provides a means for the District to recover costs associated with the acquisition of the easements including title work, staff time, and engineering review. It also ensures the easement area is properly vegetated to filter runoff.

**Discussion**

Scott SWCD staff is working with the property owners of Hunters Pass, Dan and Lori Haugh, on behalf of the District to establish a conservation easement that will protect the required buffer in perpetuity. The location of the project is shown on the attached map. The buffer is approximately 8,300 square feet and is located riparian to a DNR-protected wetland (70006800). Cropland may be encroaching into a small portion of the buffer; if so this area will be seeded by the property owner to native perennial vegetation (e.g. prairie grasses).

The attached development agreement and conservation easement documents are based on a template developed by the District Attorney. The development agreement and conservation easement are legal documents that will be recorded in the Scott County Land Records Office.



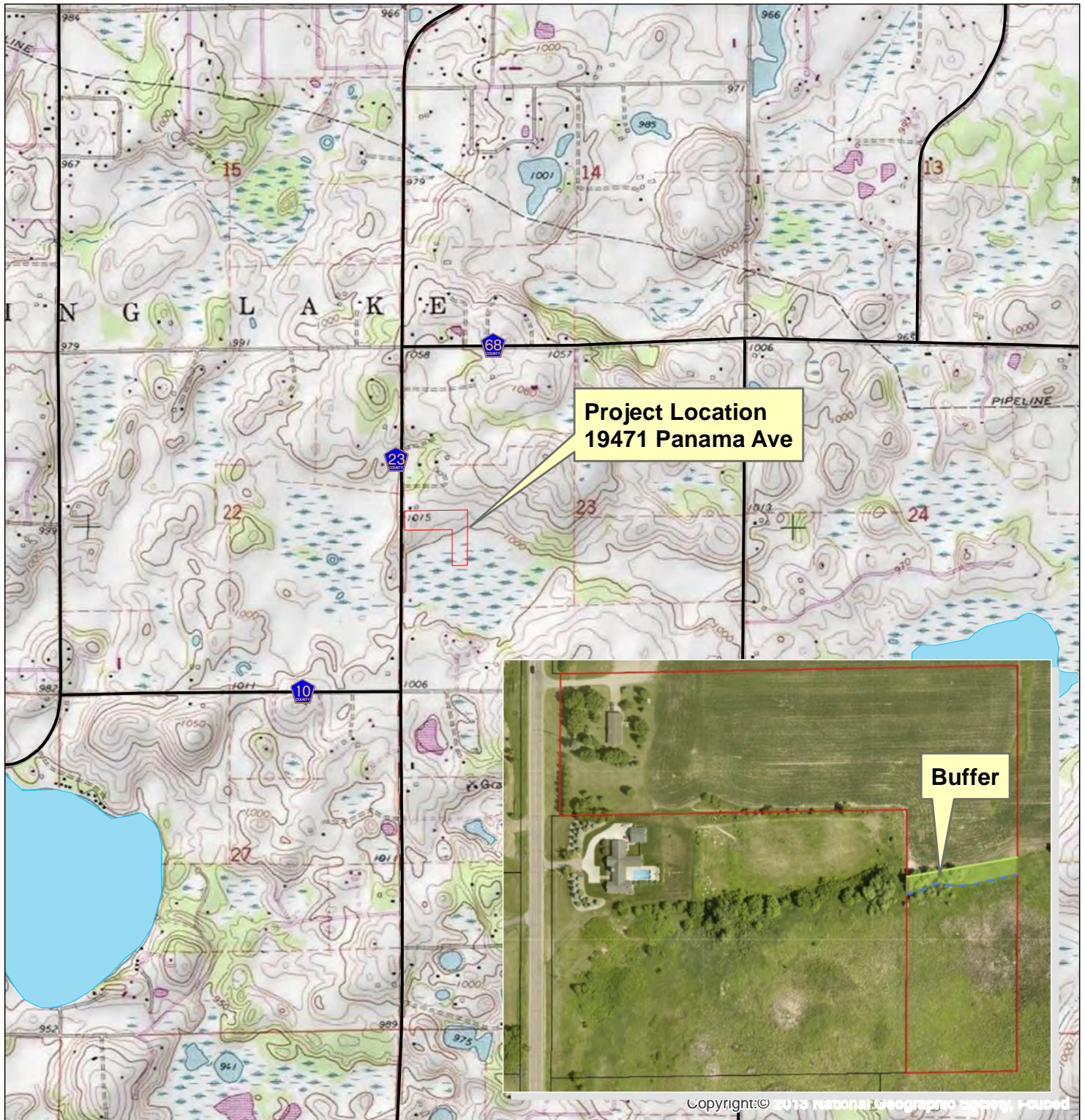
**Recommendation**

District staff is requesting the Board of Managers approve the Hunters Pass Development Agreement for execution by the District Administrator.

District staff is requesting the Board of Managers approve the Hunters Pass Conservation Easement for execution by the District Administrator, conditioned upon the following:

- Review and concurrence by the District Engineer that the proposed easement boundary meets District Rule J – Buffer Strips sizing criteria.
- Receipt of a mortgage consent should District Staff's review of potential parcel encumbrances reveal a mortgage consent is needed.

# HUNTERS PASS PROJECT LOCATION MAP



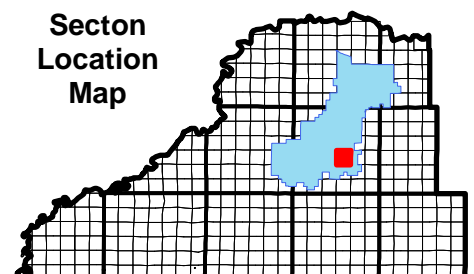
## Legend

- Parcel Boundary
- DNR protect Streams
- DNR Protected Basins



2,000 1,000 0 2,000 Feet

## Section Location Map



## DEVELOPMENT AGREEMENT

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, between Daniel R. Haugh and Lori A. Haugh, each the spouse of the other (collectively the “Owner”), and the Prior Lake-Spring Lake Watershed District, a political subdivision of the State of Minnesota (“Watershed District” or “District”).

## RECITALS

A. Owner is the fee owner of and is proceeding to subdivide certain land located in Scott County, Minnesota, and legally described in Exhibit A (the “Property”).

B. As a condition of the approval for the subdivision of the Property, Scott County requires that the Declarant grant the Watershed District a conservation easement over a buffer strip around the perimeter of wetland within the Project that meets the requirements of the Watershed District’s Rules (“Rules”).

C. Declarant desires to establish a conservation easement (“Conservation Easement”) under Minnesota Statutes, Chapter 84C, to create a buffer strip around the perimeter of wetlands within the Project as required by the Rules.

## AGREEMENT

In consideration of the mutual covenants herein, the parties hereto agree as follows:

1. RECITALS. The foregoing recitals are true and correct and incorporated herein by this reference.

2. **SURVEY.** Within 30 days after this agreement has been fully executed, the Owner shall supply the Watershed District with a satisfactory legal description and survey drawing of the proposed Conservation Easement area that meets the requirements of the Rules.

3. **EASEMENT DOCUMENT.** Within 30 days after final approval of the subdivision of the Property, the Owner will properly execute and hand-deliver to the District a Conservation Easement that has been drafted by the District and meets the requirements of the Rules. The District will hold the Conservation Easement in escrow.

4. **OWNERS & ENCUMBRANCE REPORT.** The Watershed District will obtain an Owners & Encumbrance Report that includes easements for the Conservation Easement prior to its recording. If the affected area is subject to a mortgage or other encumbrance in conflict with the terms of the Conservation Easement, the Owner will work diligently to obtain a signed consent from interest holders, and to deliver the consent(s) document to the District as soon as possible. On receipt of the consent(s), the District will execute the Conservation Easement and file it for recording.

5. **BUFFER ESTABLISHMENT.** Owner shall, at its expense, establish native vegetation in the Conservation Easement in accordance with the requirements of District Rules as shown in Exhibit B, unless the District agrees in writing that the existing vegetation in the easement area is currently in a condition that meets these requirements.

6. **MONUMENTATION.** A monument shall be placed and maintained on the upland edge of the Conservation Easement boundary, at each parcel line where it crosses the Conservation Easement boundary and at each point where the bearing of the Conservation Easement boundary line changes. A monument shall consist of a metal U-channel post and a buffer strip sign provided by the Watershed District, or as otherwise approved in writing by the Watershed District. The sign shall be securely mounted to a minimum height of 4 feet above grade. Removal, relocation, or damage to the monuments is prohibited. If a monument has been relocated or damaged, the Owner shall notify the District as soon as possible. If there is a subdivision after initial monumentation, monuments will be adjusted to maintain conformance with this paragraph.

7. **INDEMNITY.** Owner shall indemnify, defend and hold the District and its agents, employees, officers, and contractors, harmless from all claims made by itself and third parties for damage or loss sustained or costs incurred, in connection with or arising out of this Agreement. Costs incurred includes District staff costs, and consultant and attorney fees, incurred as a result of a claim.

8. **COSTS AND FEES.** Owner shall reimburse the District for all costs incurred in the preparation, review, implementation, and enforcement of the Conservation Easement, including but not limited to, District staff time, Owners & Encumbrances report cost, title policy cost, recording fees, new and replacement monuments, and engineering & attorneys' fees. Owner shall fully pay all invoices ("Invoices") submitted by the District for obligations incurred under this Agreement within 30 days after receipt. Amounts not so paid shall accrue interest at the rate of 8 percent per year or the maximum rate allowed by law, if less.

9. **DEFAULT.** If Owner defaults as to any obligation required by this Agreement, the District may, at its option and after not less than 7 days' notice to Owner, enter and perform the work, and Owner shall reimburse the District for all costs incurred thereby. In the event of an emergency as determined by the District, the requirement of 7 days advance notice of default shall be waived.

10. **DURATION.** This Agreement shall terminate on the date that the Watershed District provides formal written documentation that the Conservation Easement has been planted and fully established in accordance with Exhibit B, meets all Rule requirements, and that all reimbursable costs incurred by the District have been paid. At Owner's request, the District will execute a notice of termination that Owner may record on the title.

11. **ESCROW; SURVIVAL.** Notwithstanding the foregoing paragraph 10, as a prerequisite to termination, Owner will provide the District the sum of \$0 to secure the establishment of Conservation Area vegetation in accordance with Exhibit B, and the required installation of buffer signs. The District will hold the funds in escrow, may commingle the funds with other similar escrow funds, and with 7 days' notice may use the funds for the purpose of securing vegetation establishment and fence removal in accordance with Exhibit B. When establishment has been completed, the District will return remaining escrow funds to Owner, less the amount of any unpaid invoices. The District is not obligated to hold the funds in an interest-bearing account, but if the funds have accrued interest, it will be included in the sum returned. The establishment requirement of paragraph 4 and the escrow requirement of this paragraph 10 will survive termination of the Agreement.

12. **BINDING EFFECT.** This Agreement shall run with the land and bind and inure to the benefit of the parties hereto and their respective heirs, successors and assign. However, Owner and each successor record owner of the Property shall be fully discharged and relieved of liability under this Agreement upon ceasing to own any interest in the Property and paying all amounts and performing all obligations hereunder to the time ownership terminates.

13. **RECORDING.** Owner shall provide the signed original copy of this agreement to the District for recording. Owner shall be responsible for payment of the recording fee(s) and if such fee(s) are advanced by the District, Owner shall reimburse the District for those fee(s).

14. **MISCELLANEOUS.**

(a) The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision.

(b) The failure of the District to insist on compliance or enforcement of any provision of this Agreement shall not affect the validity or enforceability or constitute a waiver of future enforcement of that provision or any other provision by the District.

(c) All notices under this Agreement shall be deemed to be sent or delivered when personally delivered to the recipient or when mailed by certified or registered mail,

postage prepaid, addressed to Owner at 19471 Panama Ave, Prior Lake, MN 55372, and to the Watershed District at 4646 Dakota Street SE, Prior Lake, Minnesota 55372, or at such other address as either party may hereafter designate inwriting to the other.

(d) This Agreement shall be subject to and governed by Minnesota law.



IN WITNESS WHEREOF, the Owner has voluntarily executed this Development Agreement on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

OWNER:

By: \_\_\_\_\_  
Daniel R. Haugh

By: \_\_\_\_\_  
Lori A. Haugh

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF SCOTT        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_ and \_\_\_\_\_, owners of the property described in Exhibit A, each the spouse of the other.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_



**ACCEPTANCE**

The Prior Lake-Spring Lake Watershed District hereby accepts the foregoing Development Agreement this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

PRIOR LAKE-SPRING LAKE WATERSHED  
DISTRICT

By: \_\_\_\_\_  
Joni Giese

Title: District Administrator

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF SCOTT        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by Joni Giese, as the District Administrator of the Prior Lake-Spring Lake Watershed District, a political subdivision under Minnesota law.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

This instrument was drafted by:  
Prior Lake-Spring Lake Watershed District  
4646 Dakota Street SE  
Prior Lake, MN 55372

Return to:  
Prior Lake-Spring Lake Watershed District  
4646 Dakota Street SE  
Prior Lake, MN 55372

## EXHIBIT A

### LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION: Lot 1, Block 1, DEER HAVEN, Scott County, Minnesota. Together with that part of the South Half of the South Half of the Northwest Quarter of Section 23, Township 114, Range 22, Scott County, Minnesota described as follows: Commencing at the southwest corner of said South Half of the South Half of the Northwest Quarter; thence North 00 degrees 13 minutes 03 seconds East, assumed bearing along the west line of said South Half of the South Half of the Northwest Quarter, a distance of 126.11 feet, more or less, to the northwest corner of the plat of DEER HAVEN, Scott County, Minnesota, the point of beginning of the land to be described; thence continuing North 00 degrees 13 minutes 03 seconds East, along said west line, a distance of 30.00 feet; thence North 89 degrees 03 minutes 10 seconds East, parallel with the north line of said plat of DEER HAVEN, a distance of 843.56 feet; thence South 00 degrees 13 minutes 01 seconds West, a distance of 30.00 feet to the north line of said plat of DEER HAVEN; thence westerly, along said north line, a distance of 843.56 feet, more or less, to the point of beginning.

## EXHIBIT B

### Excerpt from Watershed District Rules

#### Rule J, Section 4 (c):

All open areas within the buffer strip shall be seeded or planted in accordance with Paragraph 8 below. All seeding or planting shall be completed prior to removal of any erosion and sediment control measures. If construction is completed after the end of the growing season, erosion and sediment control measures shall be left in place and all disturbed areas shall be mulched for protection over the winter season.

#### Rule J, Section 8:

##### 8. VEGETATION:

- (a) Where acceptable natural vegetation exists in buffer strip areas, the retention of such vegetation in an undisturbed state is required unless an applicant receives approval to replace such vegetation. A buffer strip has acceptable natural vegetation if it:
  - (i) Has a continuous, dense layer of perennial grasses that has been uncultivated or unbroken for at least 5 consecutive years; or
  - (ii) Has an overstory of trees and/or shrubs that has been uncultivated or unbroken for at least 5 consecutive years; or
  - (iii) Contains a mixture of the plant communities described in Subparagraphs 8(a)(i) and (ii).
- (b) Notwithstanding the performance standards set forth in Paragraph 8(a), the managers may determine existing buffer strip vegetation to be unacceptable if:
  - (i) It is composed of undesirable plant species including but not limited to common buckthorn, purple loosestrife, leafy spurge or noxious weeds; or
  - (ii) It has topography that tends to channelize the flow of runoff; or
  - (iii) For some other reason it is unlikely to retain nutrients and sediment.
- (c) Where buffer strips are not vegetated or have been cultivated or otherwise disturbed within 5 years of the permit application, such areas shall be replanted and maintained. The buffer strip plantings must be identified on the permit application. The buffer strip landscaping shall comply with the following standards:
  - (i) Buffer strips shall be planted with a seed mix approved by MnDOT, NRCS or SWCD, with the exception of a one-time planting with an annual nurse or cover crop such as oats or rye in addition to the native seed mix.
  - (ii) The seed mix shall be broadcast according to MnDOT, NRCS or SWCD specifications of the selected mix. The annual nurse or cover crop shall be applied at a minimum rate of 30 pounds per acre. The MnDOT or NRCS seed

- (iii) mix selected for permanent cover shall be appropriate for soil site conditions and free of invasive species. MnDOT, NRCS or SWCD approved mixtures appropriate for specific soil and moisture conditions can be used to meet these requirements.
  - (iv) Native shrubs may be substituted for native forbs. All substitutions must be approved by the District. Shrubs shall be distributed so as to provide a natural appearance and shall not be planted in rows.
  - (v) Any groundcover or shrub plantings installed within the buffer strip are independent of any landscaping required elsewhere by the municipality or county.
  - (vi) Grasses and forbs shall be seeded or planted by a qualified contractor. The method of application shall be approved by the District prior to planting or seeding.
  - (vii) No fertilizer shall be used in establishing new buffer strips, except on highly disturbed sites when necessary to establish acceptable buffer strip vegetation and then limited to amounts indicated by an accredited soil testing laboratory.
  - (viii) All seeded areas shall be mulched immediately with clean straw at a rate of 1.5 tons per acre. Mulch shall be anchored with a disk or tackifier.
  - (ix) Buffer strips (both natural and created) shall be protected by erosion and sediment control measures during construction in accordance with Rule E. The erosion and sediment control measures shall remain in place until the area crop is established.
- (d) Buffer strip vegetation shall be established and maintained in accordance with the requirements found in this Paragraph 8 based on an Establishment Plan submitted by the applicant and approved by the District prior to permit issuance and meeting the following requirements:
- (i) Establishment plans must extend for the period beginning at the time of planting and extending two full years from completion of initial planting and mulching operations.
  - (ii) Establishment plans must include an irrigation or watering plan for the period beginning at the time of planting and extending one full year from completion of initial planting and mulching operations.
  - (iii) Establishment plans must include replacement of any buffer strip vegetation that does not survive during the two-year period extending from the completion of the initial planting and mulching operations. Establishment maintenance and watering of replaced buffer strip vegetation shall extend one full year from completion of replacement planting and mulching operations.
  - (iv) The owner shall be responsible for reseeding and/or replanting if the buffer strip vegetation does not survive at any time through human intervention or activities.
  - (v) Establishment plans must include a schedule for weeding throughout the duration of the plan.
  - (vi) Establishment plans must be accompanied by an escrow account for the term of the establishment plan. At the end of the term of the establishment plan the balance of the account shall be returned to the permittee, less the amount required to complete the establishment of acceptable natural vegetation (if any).

### DECLARATION OF CONSERVATION EASEMENT

This Declaration is made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by and between Daniel R. Haugh and Lori A. Haugh, each the spouse of the other (collectively the “Declarant”).

#### RECITALS

Declarant owns land related to the development of Hunters Pass in Scott County, Minnesota, described on the attached Exhibit A (the “Property”). As conditions of the approval of the plats of Hunters Pass, Scott County required that the Declarant establish, to the benefit of the Prior Lake-Spring Lake Watershed District (“Watershed District”), a conservation easement over a buffer strip around the perimeter of wetlands within the Property in accordance with the requirements of the Watershed District’s Rules (“Rules”). Declarant desires to establish a conservation easement under Minnesota Statutes, Chapter 84C, to create a buffer strip around the perimeter of wetlands (both existing and to be created) within the Property.

#### DECLARATION

NOW, THEREFORE, Declarant hereby declares that the portion of the Property described on the attached Exhibit B (“Easement Area”) and depicted in Exhibit C (Surveyed Drawing) shall be held, sold, conveyed and occupied subject to the following easements and restrictions (the “Conservation Easement”), which shall be perpetual and run with the Property and bind each owner (“Owner”) and all other persons having any right, title or interest in the Property or any part thereof, their heirs, representatives, successors and assigns, and shall inure to the benefit of the Watershed District, and its successors and assigns.

1. PRESERVATION. Declarant will permanently retain the Easement Area in its predominantly natural condition and prevent or remedy any subsequent activity or use that impairs or interferes with its function as a buffer strip.

## 2. RESTRICTIONS. The following restrictions shall apply to the Easement Area:

(a) The Easement Area shall be preserved predominantly in its natural condition. No trees, shrubs, or other vegetation that are not indigenous or naturalized to the State of Minnesota shall be planted upon the Easement Area; and no trees, shrubs, or other vegetation shall be removed from the Easement Area without the prior written consent of the Watershed District.

(b) Buffer strip vegetation shall be established and maintained within the Easement Area in accordance with the Rules. There will be no grading or other disturbance of the soil within the Conservation Easement except as incidental to vegetation planting and removal. No structure or paved surface will be placed temporarily or permanently within the Conservation Easement.

(c) Easement identification monuments must be placed and maintained by the Declarant at the boundaries of the Easement Area as required by the Rules. Monuments will be placed and maintained on the upland edge of the Conservation Easement boundary, at each parcel line where it crosses the Conservation Easement boundary, and at each point where the bearing of the Conservation Easement boundary line changes. A monument shall consist of a metal U-channel post and a buffer strip sign provided by the Watershed District, or as otherwise approved in writing by the Watershed District. The sign shall be securely mounted to a minimum height of 4 feet above grade. Removal, relocation, or damage to the monuments is prohibited. If a monument has been relocated or damaged, the Owner shall notify the District as soon as possible. If there is a subdivision after initial monumentation, monuments will be adjusted to maintain conformance with this paragraph.

(d) Subject to Section 3 below, alterations including building, storage, paving, mowing, plowing, introduction of noxious vegetation, cutting, dredging, filling, mining, dumping, grazing livestock, agricultural production, yard waste disposal or fertilizer application, are prohibited within the Easement Area. Noxious vegetation, such as European buckthorn, purple loosestrife and reed canary grass, may be removed as long as the Easement Area is maintained to the standards required by the Rules and with a two-week advance written notice to the Watershed District. Notwithstanding the foregoing, Declarant may plant to enhance the natural vegetation or selectively clear or prune trees or vegetation that are dead, diseased or otherwise pose hazards with written consent from the Watershed District.

## 3. AUTHORIZED USES. The following activities are not prohibited alterations under Paragraph 2(d) above:

(a) Placement, maintenance, repair or replacement of utility and drainage systems that exist on creation of the buffer strip or are required to comply with any subdivision approval or building permit obtained from the municipality or county, so long as any adverse impacts of utility or drainage systems on the function of the buffer strip have been avoided or minimized to the extent possible; and

(b) Construction, maintenance, repair, reconstruction, or replacement of existing and future public roads crossing the buffer strip, so long as any adverse impacts of the road on the function of the buffer strip have been avoided or minimized to the extent possible.

4. ENTRY. The Watershed District, and its agents, employees, managers, and contractors, may enter the Property (but not any structure or improvements) at reasonable times to monitor subsequent activities and uses, perform work, and enforce this Declaration. The Watershed District shall give reasonable prior notice to the Owner of all such entries and shall not unreasonably interfere with the Owner's use and quiet enjoyment of the Property. This Declaration grants no right of access or entry on the Property to the general public.

5. COSTS AND FEES. The Owner shall reimburse the Watershed District for all costs incurred in the enforcement of this Declaration, including Watershed District staff costs and engineering and attorneys' fees. The Owner shall fully pay all invoices submitted by the Watershed District for obligations incurred under this Declaration within 7 days after receipt. Amounts not so paid shall accrue interest at the rate of 8 percent per year, or the maximum rate allowed by law, if lower.

#### 6. MISCELLANEOUS.

(a) Unless the context otherwise requires, a reference in this Declaration to the Rules adopted by the Watershed District means the Rules, as amended, in effect at the time of their application.

(b) Each Owner, including Declarant, and each successor record owner of the Property shall be fully discharged and relieved of liability under this Declaration upon ceasing to own any interest in the Property and paying all amounts and performing all obligations hereunder to the time such ownership terminates.

(c) This Declaration may be amended only by a writing duly signed and notarized by Owner and the Watershed District.

(d) Enforcement of this Declaration shall be by proceedings at law or in equity against any person violating or attempting to violate these restrictions either to restrain the violation or to recover damages. The failure to enforce any of the restrictions shall not be deemed to be a waiver of the right to do so thereafter. A party seeking enforcement of this Declaration shall be entitled to recover from the party violating the restrictions, reimbursement for all costs and expenses of litigation including reasonable attorneys' fees and other costs incurred in attempting to secure such relief.

(e) This document is to be finalized, signed/notarized by both parties, and recorded before the developer may sell any of the lots.

(f) Invalidity of any provision of this Declaration shall not affect the remaining



provisions, which shall continue in full force and effect.

IN WITNESS WHEREOF, the Declarant has voluntarily executed this Declaration on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

Declarant:

By: \_\_\_\_\_  
Daniel R. Haugh

By: \_\_\_\_\_  
Lori A. Haugh

STATE OF MINNESOTA )  
  )SS  
COUNTY OF SCOTT     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_ and \_\_\_\_\_, owners of the property described in Exhibit A, each the spouse of the other.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

## ACCEPTANCE

The Watershed District hereby accepts the foregoing Conservation Easements pursuant to Minnesota Statutes, Section 84C.02, on this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

PRIOR LAKE - SPRING LAKE  
WATERSHED DISTRICT

By: \_\_\_\_\_  
Joni Giese

Its: District Administrator

STATE OF MINNESOTA    )  
  ) SS  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by Joni Giese, the Administrator of the PRIOR LAKE-SPRING LAKE WATERSHED DISTRICT, a political subdivision under Minnesota law, on its behalf.

Notary Public

My Commission Expires: \_\_\_\_\_

This instrument was drafted by:  
Prior Lake-Spring Lake Watershed District  
4646 Dakota Street SE, Prior Lake, MN 55372

EXHIBIT A  
LEGAL DESCRIPTION OF PROPERTY

LEGAL DESCRIPTION: Lot 1, Block 1, DEER HAVEN, Scott County, Minnesota. Together with that part of the South Half of the South Half of the Northwest Quarter of Section 23, Township 114, Range 22, Scott County, Minnesota described as follows: Commencing at the southwest corner of said South Half of the South Half of the Northwest Quarter; thence North 00 degrees 13 minutes 03 seconds East, assumed bearing along the west line of said South Half of the South Half of the Northwest Quarter, a distance of 126.11 feet, more or less, to the northwest corner of the plat of DEER HAVEN, Scott County, Minnesota, the point of beginning of the land to be described; thence continuing North 00 degrees 13 minutes 03 seconds East, along said west line, a distance of 30.00 feet; thence North 89 degrees 03 minutes 10 seconds East, parallel with the north line of said plat of DEER HAVEN, a distance of 843.56 feet; thence South 00 degrees 13 minutes 01 seconds West, a distance of 30.00 feet to the north line of said plat of DEER HAVEN; thence westerly, along said north line, a distance of 843.56 feet, more or less, to the point of beginning.

**EXHIBIT B**  
**LEGAL DESCRIPTION OF EASEMENT AREA**

That part of Outlot A, HUNTERS PASS, Scott County, Minnesota, which lies southerly of the following described line: Beginning at a point on the west line of said Outlot A distant 410.00 feet northerly of the southwest corner of said Outlot A; thence northeasterly to a point on the east line of said Outlot A distant 449.00 feet northerly of the southeast corner of said Outlot A and there terminating.

EXHIBIT C

SURVEYED DRAWING

**EXHIBIT PREPARED FOR:**  
**DAN HAUGH**  
19471 PANAMA AVENUE  
PRIOR LAKE, MN 55372



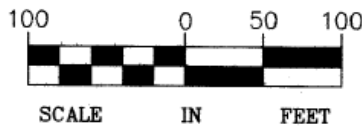
Valley Surveying Co., P.A.

Phone (952) 447-2570  
Fax (952) 447-2571

Suite 230  
16670 Franklin Trail S.E.  
Prior Lake, Minnesota 55372

**PROPOSED LEGAL DESCRIPTION OF CONSERVATION EASEMENT:**

That part of Outlot A, HUNTERS PASS, Scott County, Minnesota, which lies southerly of the following described line: Beginning at a point on the west line of said Outlot A distant 410.00 feet northerly of the southwest corner of said Outlot A; thence northeasterly to a point on the east line of said Outlot A distant 449.00 feet northerly of the southeast corner of said Outlot A and there terminating.



O DENOTES IRON MONUMENT SET AND  
MARKED BY LICENSE NO. 42309

REVISED 5/2/23 TO SHOW REVISED WETLAND  
LIMITS PER TROY KUPHAL, SCOTT CO. SWCD  
ON-SITE REVIEW ON 04/18/23.

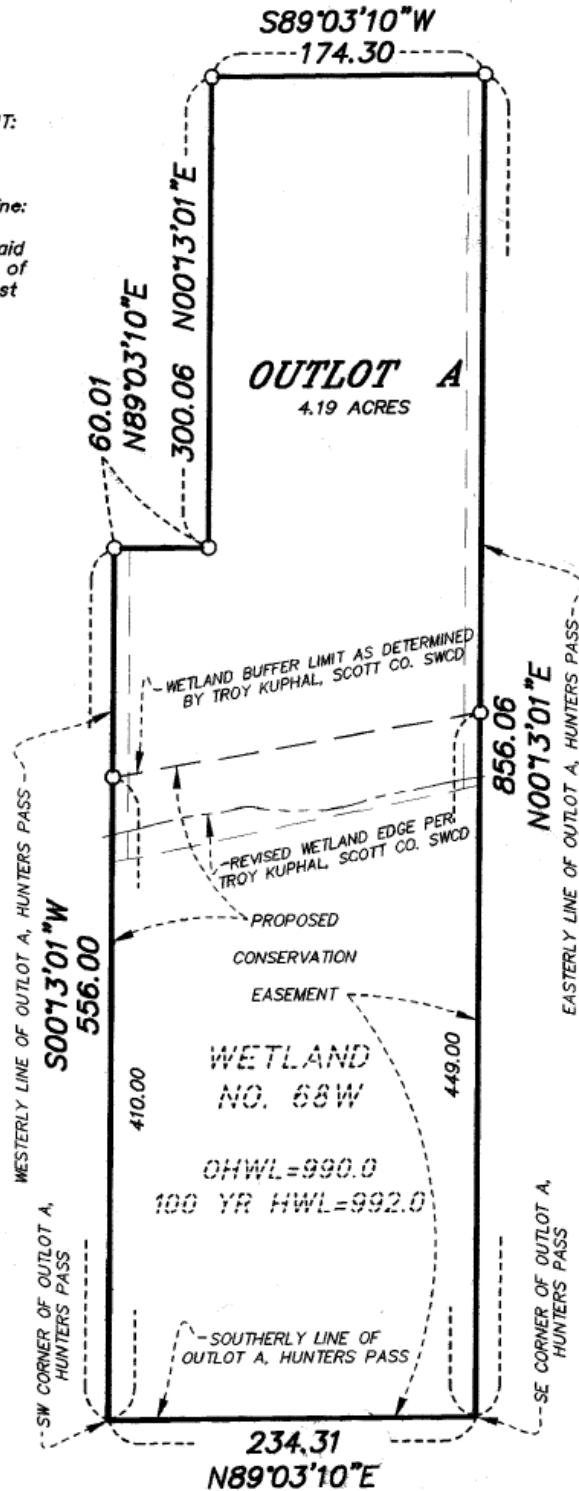
REVISED 5/2/23 TO SHOW WETLAND LIMITS PER  
MIDWEST NATURAL RESOURCES, INC. REPORT  
FIGURE 4.

*I hereby certify that this Easement Exhibit was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.*

*SBMS*

Minnesota License Number 42309  
Dated this 2nd day of May, 2023.

FILE 11481 BOOK 264 PAGE 59





# **PRIOR LAKE SPRING LAKE WATERSHED DISTRICT**

<b>Subject  </b>	Stemmers Ridge Conservation Easement Amendment		
<b>Board Meeting Date  </b>	May 9, 2023	<b>Item No:</b>	6.6
<b>Prepared By  </b>	Joni Giese, District Administrator		
<b>Attachments  </b>	1) Location Map 2) First Amendment to the Declaration and Acceptance of Conservation Easement		
<b>Proposed Action  </b>	Motion to approve the Stemmers Ridge Conservation Easement Amendment for execution by the District Administrator.		

## **Background**

The District's accepted a conservation easement covering the Stemmers Ridge parcel in 2006.

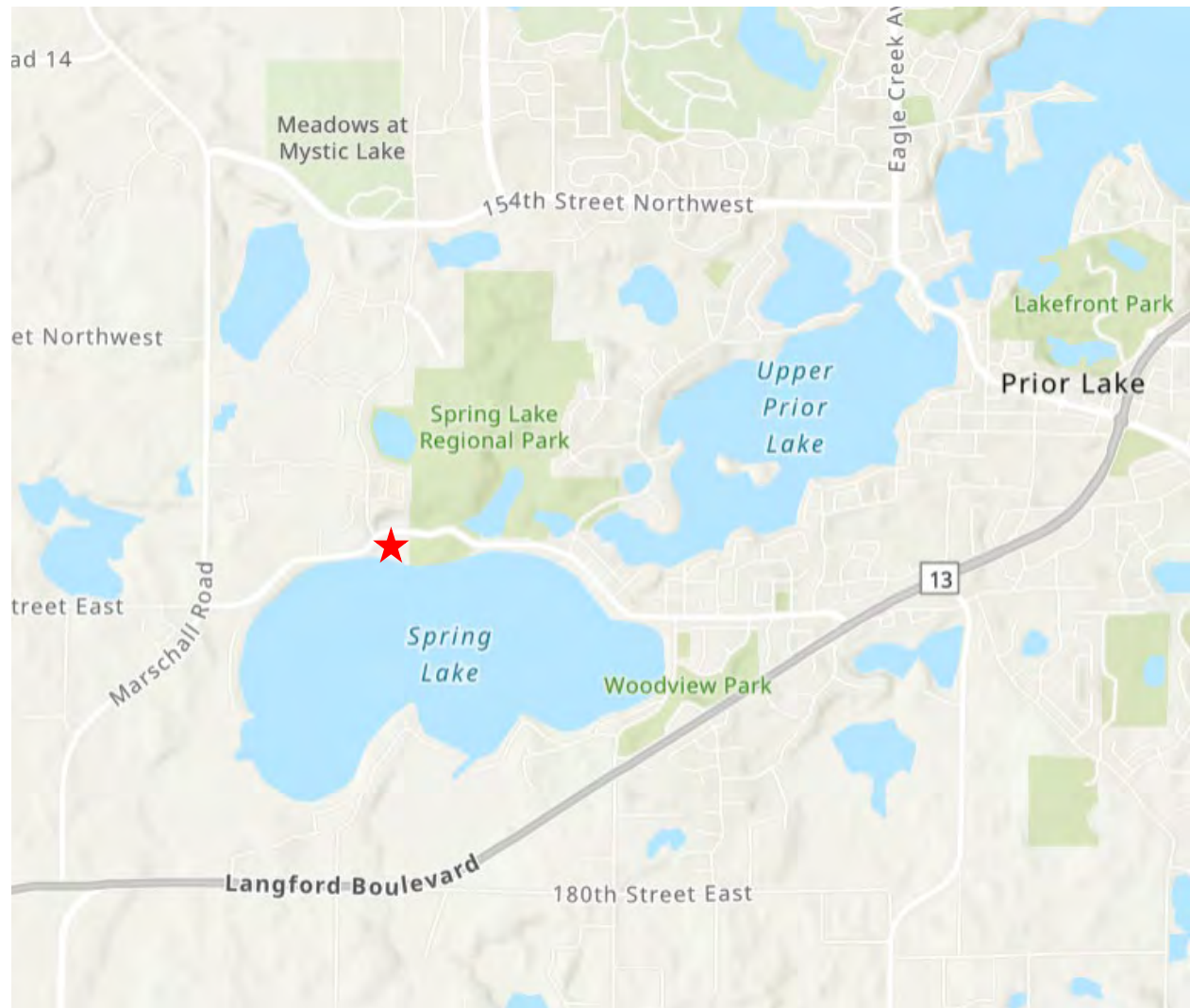
## **Discussion**

The property owners approached the District about amending the conservation easement in 2022. The amended easement will provide several parking stalls on a parcel where limited parking opportunities exist. The amended easement boundary will still retain an adequately sized vegetative buffer between the parking area and the wetland. In return for modifying the existing easement, the property owner provided an easement over a stormwater feature on the site. The new easement now ensures this area will be permanently protected with native vegetation.

## **Recommendation**

Staff is requesting the Board of Managers approve the Stemmers Ridge Conservation Easement amendment for execution by the District Administrator.

## Stemmer Ridge Conservation Easement Amendment Project Location





## **FIRST AMENDMENT TO DECLARATION AND ACCEPTANCE OF CONSERVATION EASEMENT**

This amendment ("Amendment") is made between Spring Lake Estate Association, Inc, a Minnesota non-profit corporation ([collectively] "Owner"), and the PRIOR LAKE-SPRING LAKE WATERSHED DISTRICT, a political subdivision under Minnesota law ("District").

### **RECITALS**

The Owner owns certain land ("Property") within the District, described as follows:

Lot O-L, Block 00E, Stemmer Ridge, Scott County, Minnesota.

This Property is subject to a conservation easement ("Conservation Easement") established by a "Declaration and Acceptance of Conservation Easement" dated February 8, 2006, and filed for record on February 16, 2006, as Document No. A730169 ("Declaration"), to create and preserve a buffer strip pursuant to District Rules relating to the development of land in Scott County, Minnesota. The parties now desire to amend the Declaration pursuant to Section 6 (c) thereof.

### **AMENDMENT**

In consideration of the mutual covenants and agreements herein, the parties hereto agree as follows:

1. RECITALS. The foregoing recitals are true and correct and incorporated herein by this reference.
2. AMENDMENTS. The Declaration is amended as follows:
  - a. The legal description and location of the Conservation Easement is amended to be that portion of the Property on which is located any part of the Conservation Area as legally described and delineated on the attached Exhibit A and Exhibit B. In the event of a

discrepancy between the legal description and delineation, the legal description will control.

b. Paragraph 2(c) of the Declaration is amended to read as follows:

Easement identification monuments must be placed and maintained by the Declarant at the boundaries of the Easement Area as required by the Rules. Monuments will be placed and maintained on the upland edge of the Conservation Easement boundary, at each parcel line where it crosses the Conservation Easement boundary, and at each point where the bearing of the Conservation Easement boundary line changes. A monument shall consist of a metal U-channel post and a buffer strip sign provided by the Watershed District, or as otherwise approved in writing by the Watershed District. The sign shall be securely mounted to a minimum height of 4 feet above grade. Removal, relocation, or damage to the monuments is prohibited. If a monument has been relocated or damaged, the Owner shall notify the District as soon as possible. If there is a subdivision after initial monumentation, monuments will be adjusted to maintain conformance with this paragraph.

3. OTHER TERMS. All terms and conditions of the Declaration remain effective and in force except as explicitly amended by this Amendment.

IN WITNESS WHEREOF, the Owner has voluntarily executed this Agreement on this 17th day of April, 2023.

OWNER:

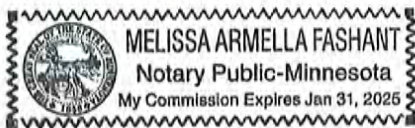
By:

Owner Name

SLE Board Member ✓

[illegible]

The foregoing instrument was acknowledged before me this 14<sup>th</sup> day of April, 2023, by Matthew Satulis, [a single person/each the spouse of the other].



Melissa A. Foxworth  
Notary Public

My Commission Expires:

1-31-2025

## ACCEPTANCE

The PRIOR LAKE-SPRING LAKE WATERSHED DISTRICT hereby accepts the foregoing Amendment this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

# PRIOR LAKE-SPRING LAKE WATERSHED DISTRICT

By: Joni Giese

Title: District Administrator

[illegible]

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by Joni Giese as the Administrator of the Prior Lake-Spring Lake Watershed District, a political subdivision under Minnesota law.

Notary Public

My Commission Expires: \_\_\_\_\_

## **EXHIBIT A**

### **Legal Description of Conservation Easement Areas**

#### **Amended Conservation Easement Parcel**

A wetland buffer easement lying over, under, and across that part of Outlot E and Outlot F, Stemmer Ridge, Scott County, Minnesota described as follows:

Commencing at the northeast corner of said Outlot F; thence North 85 degrees 19 minutes 13 seconds West, an assumed bearing along the north line of said Outlot F, a distance of 25.45 feet to the actual point of beginning of the easement to be described; thence South 07 degrees 31 minutes 15 seconds West, a distance of 16.09 feet; thence South 75 degrees 42 minutes 24 seconds West, a distance of 16.63 feet; thence South 68 degrees 18 minutes 53 seconds West, a distance of 31.63 feet; thence South 40 degrees 33 minutes 31 seconds West, a distance of 34.51 feet; thence South 14 degrees 42 minutes 38 seconds West, a distance of 53.64 feet; thence South 20 degrees 33 minutes 23 seconds West, a distance of 94.57 feet; thence South 32 degrees 52 minutes 18 seconds West, a distance of 69.36 feet; thence South 12 degrees 43 minutes 02 seconds West, a distance of 43.07 feet; thence South 33 degrees 39 minutes 21 seconds West, a distance of 29.69 feet; thence South 55 degrees 21 minutes 15 seconds West, a distance of 87.34 feet; thence South 32 degrees 30 minutes 51 seconds West, a distance of 46.45 feet; thence North 74 degrees 19 minutes 03 seconds West, a distance of 29.22 feet; thence South 29 degrees 08 minutes 47 seconds West, a distance of 22.06 feet; thence North 72 degrees 30 minutes 30 seconds West, a distance of 106.21 feet; thence North 17 degrees 29 minutes 30 seconds East, a distance of 18.00 feet; thence North 72 degrees 22 minutes 02 seconds West, a distance of 88.51 feet; thence North 10 degrees 06 minutes 19 seconds East, a distance of 53.97 feet; thence North 39 degrees 56 minutes 04 seconds West, a distance of 20.19 feet; thence North 69 degrees 18 minutes 54 seconds West, a distance of 71.68 feet; thence North 41 degrees 33 minutes 37 seconds West, a distance of 59.59 feet; thence North 22 degrees 28 minutes 00 seconds West, a distance of 32.24 feet; thence North 20 degrees 32 minutes 04 seconds East, a distance of 68.48 feet; thence North 13 degrees 36 minutes 25 seconds East, a distance of 20.15 feet; thence North 02 degrees 01 minutes 21 seconds West, a distance of 15.53 feet to the north line of said Outlot E; thence northeasterly along said north line on a non-tangential curve concave to the southeast having a central angle of 16 degrees 40 minutes 06 seconds and a radius of 326.46 feet for an arc distance of 94.97 feet, the chord of said curve bears North 51 degrees, 44 minutes 40 seconds East; thence northeasterly along said north line on a non-tangential curve concave to the southeast having a central angle of 32 degrees 11 minutes 13 seconds and a radius of 331.74 feet for an arc distance of 186.36 feet, the chord of said curve bears North 74 degrees 31 minutes 57 seconds East; thence east along said north line on a non-tangential curve concave to the south having a central angle of 02

degrees 08 minutes 03 seconds and a radius of 332.00 feet for an arc distance of 12.37 feet, the chord of said curve bears South 86 degrees 23 minutes 14 seconds East, thence South 85 degrees 19 minutes 13 seconds East, along said north line, tangent to the last described curve, a distance of 327.77 feet to the point of beginning.

### **New Conservation Easement Parcel**

A wetland buffer easement lying over, under, and across that part of Outlot E, Stemmer Ridge, Scott County, Minnesota described as follows:

Commencing at the northeast corner of said Outlot E; thence South 01 degree 54 minutes 17 seconds West, an assumed bearing along the easterly line of said Outlot E a distance of 523.16 feet to the survey line; thence North 75 degrees 36 minutes 32 seconds West, along said survey line a distance of 353.64 feet to an angle point in said survey line; thence North 80 degrees 45 minutes 56 seconds West along said survey line a distance of 130.09 feet; thence North 4 degrees 26 minutes 12 seconds East, a distance of 61.73 feet to the point of beginning of the easement to be described; thence continue North 4 degrees 26 minutes 12 seconds East, a distance of 39.00 feet; thence North 65 degrees 43 minutes 18 seconds West, a distance of 53.00 feet; thence North 44 degrees 50 minutes 10 seconds West, a distance of 105.69 feet; thence South 45 degrees 06 minutes 27 seconds West, a distance of 183.00 feet; thence South 85 degrees 46 minutes 04 seconds East, a distance of 128.00 feet; thence North 15 degrees 41 minutes 18 seconds East, a distance of 27.75 feet; thence South 78 degrees 16 minutes 09 seconds East, a distance of 116.74 feet to the point of beginning.

**EXHIBIT B**

**Survey Map of Amended Conservation Easement Areas**

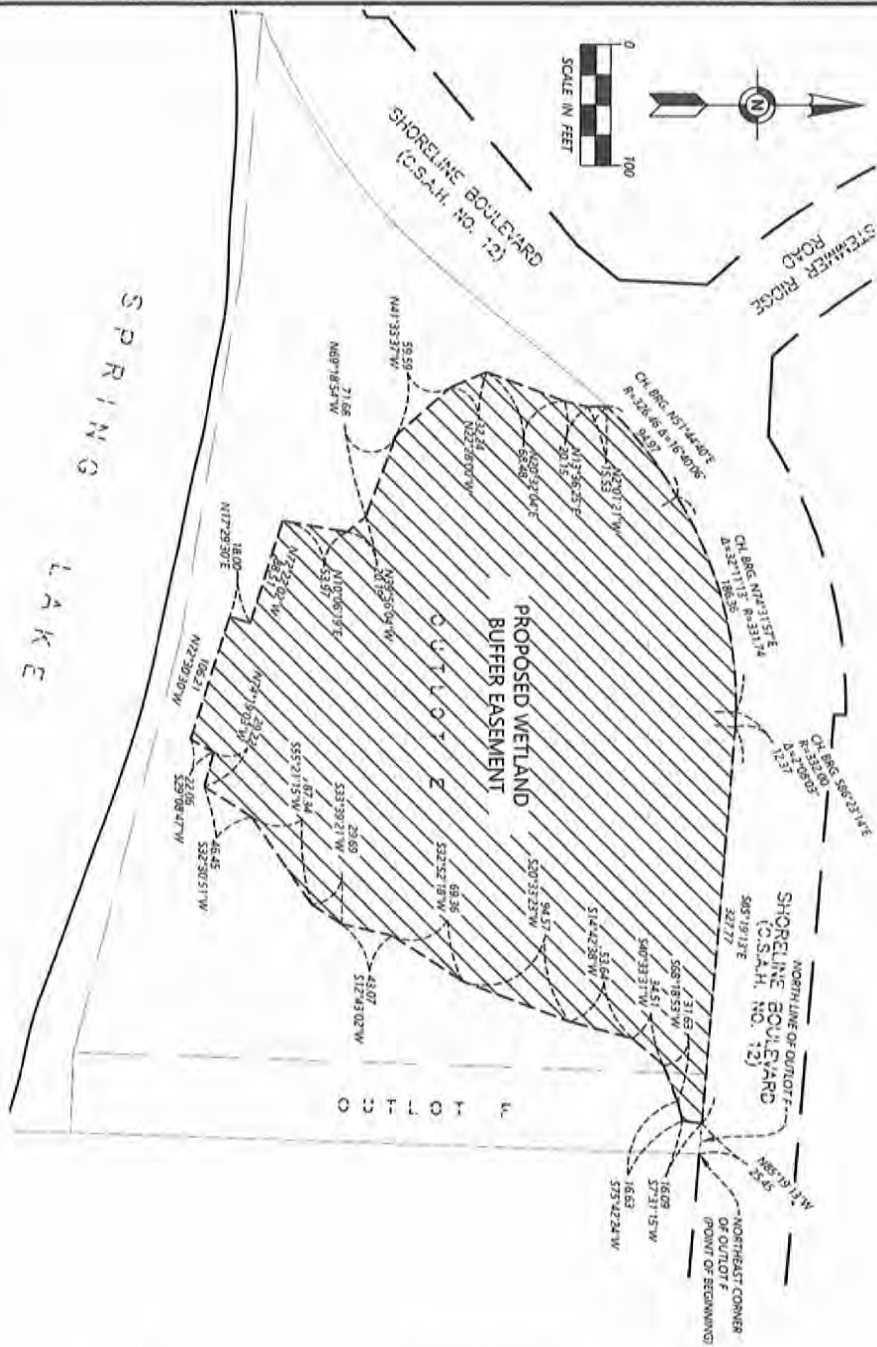


PROJECT: 20187

TSR: 4-114-22  
FILE: SCOTT22

EASEMENT EXHIBIT FOR:

## SPRING LAKE ESTATES ASSOCIATION

AMENDED WETLAND BUFFER EASEMENT  
DESCRIPTIONEXHIBIT 85 OF DECLARATION AND  
ACCEPTANCE OF CONSERVATION EASEMENT  
PER DOC. NO. A730169

A wetland buffer easement lying over, under, and across that part of Outlot E and Outlot F, Steiner Ridge, Scott County, Minnesota described as follows:

Commencing at the northeast corner of said Outlot F; thence North 85 degrees 19 minutes 13 seconds West, an assumed bearing along the north line of said Outlot F, a distance of 25.45 feet to the actual point of beginning of the easement to be described; thence South 07 degrees 31 minutes 15 seconds West, a distance of 16.09 feet; thence South 75 degrees 42 minutes 24 seconds West, a distance of 16.63 feet; thence South 68 degrees 18 minutes 53 seconds West, a distance of 31.63 feet; thence South 40 degrees 33 minutes 31 seconds West, a distance of 34.51 feet; thence South 14 degrees 42 minutes 38 seconds West, a distance of 53.64 feet; thence South 30 degrees 33 minutes 23 seconds West, a distance of 94.57 feet; thence South 31 degrees 51 minutes 21 seconds West, a distance of 69.56 feet; thence South 12 degrees 43 minutes 02 seconds West, a distance of 43.07 feet; thence South 33 degrees 39 minutes 21 seconds West, a distance of 29.69 feet; thence South 55 degrees 21 minutes 15 seconds West, a distance of 87.34 feet; thence South 32 degrees 19 minutes 03 seconds West, a distance of 45.45 feet; thence North 74 degrees 19 minutes 03 seconds West, a distance of 22.05 feet; thence North 72 degrees 30 minutes 30 seconds East, a distance of 106.21 feet; thence North 17 degrees 22 minutes 02 seconds East, a distance of 88.51 feet; thence North 10 degrees 06 minutes 19 seconds East, a distance of 59.97 feet; thence North 41 degrees 36 minutes 37 seconds East, a distance of 20.19 feet; thence North 69 degrees 18 minutes 54 seconds East, a distance of 59.97 feet; thence North 22 degrees 28 minutes 00 seconds East, a distance of 32.24 feet; thence North 13 degrees 36 minutes 25 seconds East, a distance of 68.48 feet; thence North 02 degrees 01 minutes 21 seconds East, a distance of 20.15 feet to the north line of said Outlot E; thence northeasterly along said north line on a non-tangential curve concave to the northeast having a central angle of 16 degrees 40 minutes 06 seconds and a radius of 326.46 feet for an arc distance of 94.97 feet, the chord of said curve bears North 51 degrees, 44 minutes 40 seconds East; thence northeasterly along said north line on a non-tangential curve concave to the northeast having a central angle of 32 degrees 11 minutes 13 seconds and a radius of 331.74 feet for an arc distance of 186.36 feet, the chord of said curve bears North 74 degrees 31 minutes 57 seconds East; thence east along said north line on a non-tangential curve concave to the south having a central angle of 02 degrees 08 minutes 03 seconds and a radius of 332.00 feet for an arc distance of 12.37 feet, the chord of said curve bears South 86 degrees 23 minutes 14 seconds East; thence South 85 degrees 19 minutes 13 seconds East, along said north line, tangent to the last described curve, a distance of 327.77 feet to the point of beginning.

PETERS  
LAND SURVEYINGPeters Land Surveying  
5505 W 123rd Street - 100C  
Savage, MN 55378Phone: 612-346-0824  
Web: www.peterslandsurveying.com

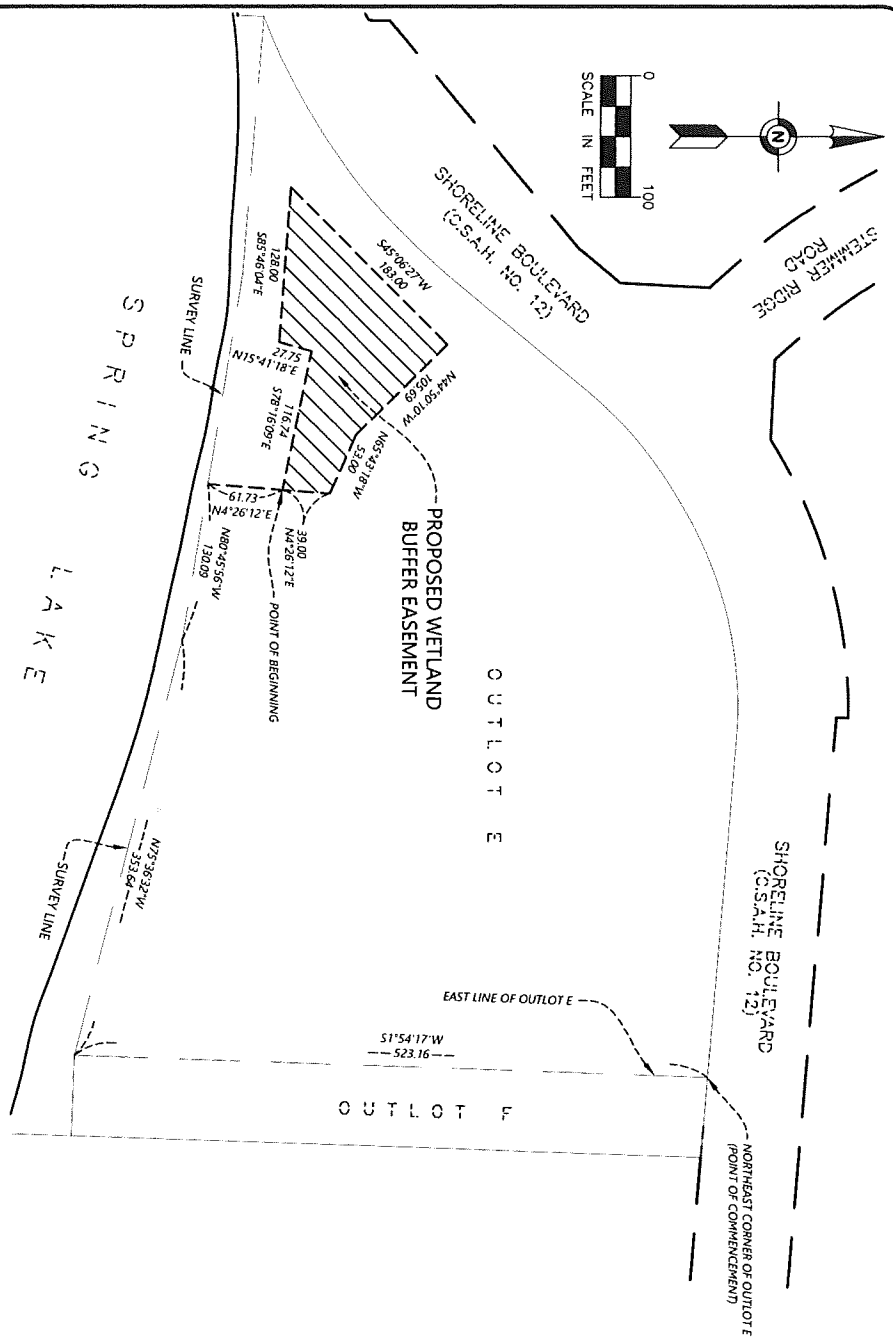
Copyright© By Peters Land Surveying, LLC 2023

PROJECT: 20187

TSR: 4-114-22  
FILE: SCOTT22

EASEMENT EXHIBIT FOR:

**SPRING LAKE ESTATES ASSOCIATION**

**PROPOSED WETLAND BUFFER EASEMENT  
DESCRIPTION**

Commenting at the northeast corner of said Outlot E, thence South D1, degree 54 minutes 17 seconds West, an assumed bearing along the eastern line of said Outlot E a distance of 523.16 feet to the survey line; thence North 15 degrees 36 minutes 32 seconds West, along said survey line a distance of 353.64 feet to an angle point in said survey line; thence North 80 degrees 45 minutes 55 seconds West, along said survey line a distance of 130.09 feet; thence North 4 degrees 36 minutes 12 seconds East, a distance of 61.73 feet to the point of beginning of the easement to be described; thence continue North 4 degrees 26 minutes 12 seconds East, a distance of 39.00 feet; thence North 65 degrees 43 minutes 18 seconds East, a distance of 53.07 feet; thence North 44 degrees 50 minutes 10 seconds West, a distance of 105.69 feet; thence South 45 degrees 06 minutes 27 seconds West, a distance of 183.00 feet; thence South 55 degrees 06 minutes 04 seconds East, a distance of 120.00 feet; thence North 15 degrees 41 minutes 18 seconds East, a distance of 272.75 feet; thence South 18 degrees 15 minutes 09 seconds East, a distance of 116.74 feet to the point of beginning.



# PROPERTY SURVEYING

**Peters Land Surveying**  
5505 W 123rd Street - 100C  
Savage, MN 55378

**Phone: 612-346-0824**  
**Web: [www.peterslandsurvey.com](http://www.peterslandsurvey.com)**

**PLSLWD Board Staff Report**

May 4, 2023


**PRIOR LAKE  
SPRING LAKE  
WATERSHED DISTRICT**

<b>Subject  </b>	CAC Chair, Amended 2023 Meeting Schedule, and Operating Guidelines	
<b>Board Meeting Date  </b>	May 9, 2023	<b>Item No: 6.7</b>
<b>Prepared By  </b>	Emily Dick	
<b>Attachments  </b>	1) Amended 2023 Meeting Schedule 2) CAC Operating Guidelines (redline)	
<b>Proposed Action  </b>	Motion to approve Loren Hanson as CAC Chair for the remainder of 2023, the amended 2023 meeting schedule, and the CAC Operating Guidelines.	

### **Discussion**

The Citizen's Advisory Committee (CAC) has voted to adopt several items in recent meetings. Firstly, the previously elected CAC Chair completed their term, and a new CAC Chair, Loren Hanson, was elected for the remainder of 2023. A Vice Chair may be elected at the May meeting.

Secondly, the CAC voted to approve Operating Guidelines (previously titled "bylaws") which alters the original 2023 meeting schedule timing and frequency to meetings on odd months from 6:00-7:30 pm.

Lastly, the Operating Guidelines document approved by the CAC reflects several changes to the previous bylaws document (seen in redline, green text represents changes previously brought to the Board), a few notable additions/alterations are:

- Shifting the document title to Operating Guidelines
- Adding clarified roles for Staff and Board
- Adding a clarified process for bringing items for Board consideration
- Minimum subcommittee group size
- Term limits of two three-year terms, after which a one-year gap is required
- Expressly calling out that the CAC shall seek to include and represent diverse interests
- Meeting timing and frequency (as mentioned above)
- General conduct and attendance expectations

Annually the CAC meeting schedule is formalized and approved by the Board of Managers, this would approve the amended schedule as the CAC's official regular meeting schedule. The Operating Guidelines state that amendments shall be brought to the Board of Managers for consideration and adoption.

### **Recommendation**

Motion to approve Loren Hanson as CAC Chair for the remainder of 2023, the amended 2023 meeting schedule, and the CAC Operating Guidelines.



### **Amended 2023 CAC Meeting Schedule**

Last Thursday of each odd month (\*unless noted below), 6:00 – 7:30 PM  
Wagon Bridge Conference Room, Prior Lake City Hall

January 26

March 30

April 27

May 25

July 27

September 28

\*November – NO MEETING

\*December 7

## Prior Lake-Spring Lake Watershed District Citizen Advisory Committee

### ~~Bylaws~~Operating Guidelines

#### SECTION 100: PURPOSE

---

- 101:** The purpose of these bylawoperating guidelines is to provide a set of operating procedures for the Citizen Advisory Committee ("Committee"~~GAC~~), and to establish a code of ethics and conduct.

#### SECTION 200 COMMITTEE

---

- 201:** COMMITTEE CREATED: A Citizen Advisory Committee is hereby created for the Prior Lake - Spring Lake Watershed District. The purpose of the Committee is to advise the District Board and staff on issues related to lakes and other water resources within the Prior Lake - Spring Lake Watershed District.
- 202:** DUTIES OF THE COMMITTEE: The duties of the Citizen Advisory Committee are as follows:
1. Research, study and make recommendations to the District Board and staff on the information contained within the "Water Resources Management Plan."
  2. Research, study and make recommendations to the District Board and staff on other pertinent information as outlined by the District.
  3. The Committee Chair shall give an accounting of the Committee's activities with respect to its goals and objectives before the District Board ~~semi~~annually.
  4. Specific powers, duties and responsibilities may be assigned to the Committee by the District Board of Managers or staff.
- 203:** SUBCOMMITTEES: The Committee may divide its membership into subcommittees, as it deems necessary, to implement its goals and objectives. ~~Subcommittees may be formed upon agreement of majority of members present.~~Subcommittees must have a minimum of three members to be formed.
- 204:** COMPOSITION: The Committee shall be composed of a minimum of five (5) but no more than (12) twelve members appointed by the Board of Managers for three (3) year terms. ~~The terms of Committee members will be staggered.~~ To be eligible for appointment, an applicant must reside in the watershed district and have resided in the watershed district for at least (30) days prior to appointment.
- A committee member may serve no more than two consecutive terms and may reapply after a one-year absence. There are no limits on the number



~~of terms a committee member may serve.~~ At the end of a committee member's term, the member must reapply for membership to the committee to be reconsidered for membership by the Board of Managers.

**205:**

**VACANCIES:** When an appointed member of the Citizens Advisory Committee completes their term, resigns, is terminated, or otherwise vacates a seat on the Committee, the District Board shall appoint a replacement in the following manner:

1. Applications are solicited. The vacancy is made public and individuals are encouraged to apply for the position.
2. The District Board, or their designee, shall review all candidate applications and make a recommendation to the District Board.
3. The District Board may accept or reject the recommendation. If the recommendation is rejected, the District shall appoint another applicant individual decide to reopen the vacancy to consider new candidates.
4. Candidates are recommended by the following criteria: availability to attend meetings, diverse representation of community interests (such as farming, lake shore ownership, Shakopee Mdewakanton Sioux Community member, location in the watershed), applicable background, interest and passion for Committee involvement, and ability to comply with the [bylawoperating guidelines](#).

If an appointed member vacates their seat before the end of their term, the member appointed by the Board of Managers to fill their seat shall serve ~~out the remainder of the length of the uncompleted term~~ three years from the date of appointment.

If the Office of Chair, Vice-Chair, or Secretary becomes vacant, the Committee shall elect a successor from its membership at the next regular meeting, and such election shall be for the unexpired term of said office.

**206:**

**OFFICERS:** The Citizen Advisory Committee shall elect from among its members a Chair, a Vice-Chair, and a Secretary. Elections will occur annually at the January meeting and officers will be elected by a majority vote of the Committee given that there is a quorum. Terms shall begin in February and expire the following January.

1. Chair: The duties of the Chair shall include review and approval of meeting agendas, presiding at meetings, ~~semiannual~~ reporting to the District Board, designating a representative to attend monthly District Board meetings as necessary, and representation of the Committee as appropriate.
2. Vice-Chair: The Vice-Chair shall perform the duties of the Chair in his/her absence. The Vice-Chair shall assume such other duties as assigned by the Chair.
3. Secretary: The Secretary shall be responsible for recording and compiling a written summary of all official activities of the Committee including meeting minutes. If absent, the Secretary shall find a replacement to fill their duties.

- 207:** TERMINATION: Failure to comply with the [bylawoperating guidelines](#) may be reported to the Board of Managers and may result in termination at the Board's discretion.

## **SECTION 300 MEETINGS**

---

- 301:** MEETING SCHEDULE: Regular meetings shall be held ~~the last Thursday of the month~~ the last Thursday of odd-numbered months (January, March, etc) at 6:030 p.m. at the Prior Lake City Hall, 4646 Dakota Street S.E., Prior Lake, Minnesota. In the event that such a date shall fall on a legal holiday, the meeting shall be rescheduled. Regular meetings may be rescheduled, cancelled or changed depending upon unique circumstances and subject to the approval and consent of ~~both~~ the Chair and/or Vice-Chair.
- 302:** NOTIFICATION: All regular and special meetings of the Committee shall be noticed by:
1. Posting at the District Office or on the District's website for at least two (2) days prior to the meeting.
  2. A copy of the notice, agenda and accompanying material shall be prepared by staff and received by the Committee, District staff and others designated by District Board and staff, no later than the Tuesday prior to the Thursday meeting and in no case later than two (2) days prior to a special meeting.
  3. A copy of the agenda and meeting materials will be available for the public at the meeting.
- 303:** SPECIAL MEETINGS: Special Meetings of the Committee may be called by the Chair, or two (2) members of the Committee for the purpose of transacting any business designated in the call. Members may recommend calling a special meeting but must receive approval from either the Chair or two members of the Committee. The call for a special meeting may be delivered prior to the time of the proposed meeting to each member of the Committee at least two (2) days prior to the special meeting. At such meetings, no business shall be considered other than as designated in the call. The notification provisions of Section 302 shall be followed.
- 304:** QUORUM FOR REGULAR AND SPECIAL MEETINGS: For the purpose of conducting its business, attendance of fifty (50) percent or more of Committee members shall constitute a quorum. However, a smaller number may adjourn from time to time until a quorum is obtained. When a quorum is in attendance, action may be taken by the Committee upon a vote of a majority of the Committee present.
- 305:** CONDUCT OF BUSINESS AT MEETINGS: The agenda for a regularly scheduled meeting shall include the following items of business:

1. Call to Order
2. Review of minutes of previous meeting(s)
3. Old Business
4. Staff Update
5. New Business
6. Adjournment

Meetings will use Roberts rules to conduct business.

**306:** VOTING: All members of the Committee have equal voting authority.

**307:** CONDUCT: All members of the Committee shall conduct themselves with decorum fitting their position as citizen representatives as well as conduct themselves in an ethical and transparent manner (including disclosing potential conflicts of interest) in support of the Watershed District's mission and goals. Members shall act in a respectful manner to all committee members, District Staff, and the public.

**308:** ATTENDANCE: Committee members are expected to attend Committee and Subcommittee meetings. A Committee member's failure to attend one third of meetings annually may be reported to the Board of Managers.

## **SECTION 400**

### **BOARD/STAFF COORDINATION**

**401:** STAFF LIAISON ROLE: A staff liaison is expected to attend each CAC meeting unless otherwise directed by the Board.

Staff will be responsible for:

- Preparing agendas with CAC chair and Board liaison.
- Assisting the CAC Chair in matters related to running meetings.
- Coordinate attendance by consultants and other staff as needed.
- Preparing memorandums for CAC recommendations to the Board.

**402:** BOARD LIAISON ROLE: A Board liaison is expected to attend each CAC meeting unless otherwise directed by the Board.

Board liaison will be responsible for:

- Preparing agendas with CAC chair and Staff liaison.
- Providing updates to the CAC from Board meetings.
- Providing updates to the Board from CAC meetings.

**403:** PROCESS FOR BOARD CONSIDERATION: The Committee may bring recommendations, requests, or updates to Board workshops and meetings. To present materials or opinions as coming from the CAC, the underlying material/opinion must be approved by the majority vote of a quorum of the CAC. If an item is not approved by majority vote, a Committee member(s) may choose to present the item as an individual resident(s) during the Board meeting Public Comment section. If an item is approved by a majority vote, the following schedule will apply:



- Upon vote to present material, CAC selects a CAC representative for this proposed agenda item. The CAC representative will work with Staff and be the primary presenter at the meeting/workshop.
- At least eleven days prior to the Board meeting/workshop, the CAC representative notifies Staff of the item they would like to include on the Board agenda.
- Eight days prior to the Board meeting/workshop, the Board Chair will set the agenda.
- Seven to six days prior to the Board meeting/workshop, Staff will share with the CAC representative whether the CAC item is included on the agenda set by the Board Chair. If included, Staff will prepare memorandums regarding CAC material. CAC representative will provide Staff with any additional material to include in the Board workshop and meeting packets.
- Five days prior to the Board meeting/workshop, workshop/meeting packets are distributed to the Board of Managers and individuals that have requested to be on the board packet distribution list.
- Four days prior to the Board meeting/workshop, packets are uploaded to the District website. CAC representative supplies Staff with any PowerPoints or supplemental materials they would like to have projected during the CAC agenda item.
- CAC representative presents at the Board meeting/workshop as noted in the agenda.
- Board provides feedback to CAC. Examples include: request for more information, Board vote or motion, request for District Staff to provide recommendations or directs District Administrator to take specific actions.
- If applicable, District Administrator directs Staffing to accomplish work.

## **SECTION 500 AMENDMENTS**

---

- 501:** AMENDMENTS: These operating guidelines shall be reviewed annually in January by the Citizen Advisory Committee and any amendments agreed to by a majority vote of the Committee shall be proposed to the Board of Managers for consideration and adoption.



# **PRIOR LAKE SPRING LAKE WATERSHED DISTRICT**

<b>Subject  </b>	National Association of State Procurement Officials (NASPO) Purchasing Card Program	
<b>Board Meeting Date  </b>	May 9, 2023	<b>Item No: 6.8</b>
<b>Prepared By  </b>	Joni Giese, District Administrator	
<b>Attachments  </b>	None	
<b>Proposed Action  </b>	Motion to authorize the District Administrator to enroll the District in the NASPO Purchasing Card Program	

## **Background**

The District's bank has partnered with the State of Minnesota to offer a purchasing card program. This is a VISA branded program that is open to state agencies, political subdivisions and higher education institutions.

## **Discussion**

The purchasing card program functions similar to a VISA card with the added benefit of providing rebates to participants based on individual spending and payment performance, along with longer payment periods, and no annual fees or interest charges. This program will benefit the District by reducing costs through the rebate program and eliminating interest charges that the District occasionally incurs due to varying board meeting dates that do not always align with credit card payment due dates.

## **Recommendation**

Staff recommends that the Board of Managers authorize the District Administrator to enroll the District in the NASPO Purchasing Card Program.