



2009 ANNUAL REPORT

District Information

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Regular Board Meetings

Held at the City of Prior Lake City Hall the second Tuesday of each month at 2:30 p.m.

Official Newspaper

Prior Lake American

Cover Photo: Buffer strip adjacent to Jeffers Pond

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SECTION 1: INTRODUCTION AND BACKGROUND

INTRODUCTION

This report summarizes the activities of the Prior Lake-Spring Lake Watershed District and the financial status of the District for the year ending 2009. The report is organized into three sections:

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

Section 2: Annual Activities: Summarizes the District's programs and activities completed in 2009 and presents a work plan for 2010.

Section 3: Financial Administration: Summarizes fund balances, budgets and levy for the fiscal year ending December 31, 2009.

BACKGROUND

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

The District encompasses approximately 42 square miles in Scott County including portions of the Cities of Prior Lake, Shakopee, and Savage; Sand Creek Township; and Spring Lake Township (see Figure 1-1). Water flow within the District is in a general northerly direction. The Spring Lake subwatershed drains through Buck Lake and County Ditch 13 flows into Spring Lake. Water from Spring Lake then drains into Upper and Lower Prior Lakes. From Lower Prior Lake, Water is then carried north and out of the District to the Minnesota River via the Prior Lake Outlet Channel. The highest ground in the watershed is 1,100 feet above sea level and is found along the eastern boundary of the watershed in Section 23 of Spring Lake Township. The lowest ground in the watershed that is tributary to Prior Lake is the shoreline of Lower Prior Lake. The water level of Prior Lake varies in the range of 896 feet (Ordinary Low Water) to 904 feet (Ordinary High Water) above sea level but can go to further extremes depending on weather. The 40 year average elevation is 901.96 feet. Prior Lake was essentially a landlocked basin until an artificial outlet structure and channel were constructed in 1983.

The Board of Managers of the District is a five-member administrative board appointed for three-year terms by the Commissioners of Scott County. Board member contact information may be obtained through the District website or by request at the District office. The Board has authority to issue permits for development that affect the quantity, quality, and runoff rate of stormwater within the District and authority to undertake projects to protect and improve the water resources of the District. To fund its activities, the Board levies annual *ad valorem* taxes

on citizens who own property within the District. Historically, the District has also obtained grants from federal and state agencies to fund various special projects.

As part of their efforts to update the District's Water Resources Management Plan, on June 3, 2008, the PLSLWD Board of Managers determined to maintain the following mission statement:

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

The Minnesota Board of Water and Soil Resources (BWSR) approved the District's second Water Resources Management Plan in January 1999. The Plan was published in April 1999. The year 2009 represents the eleventh year of implementation under this Plan as amended. Work on the third generation Water Resources Management Plan began in 2008 and submitted to BWSR for the formal review process in 2009. Final approval and adoption is anticipated in May 2010. Section 2 provides a summary of implementation activities completed in 2009, as well as a work plan for 2010.

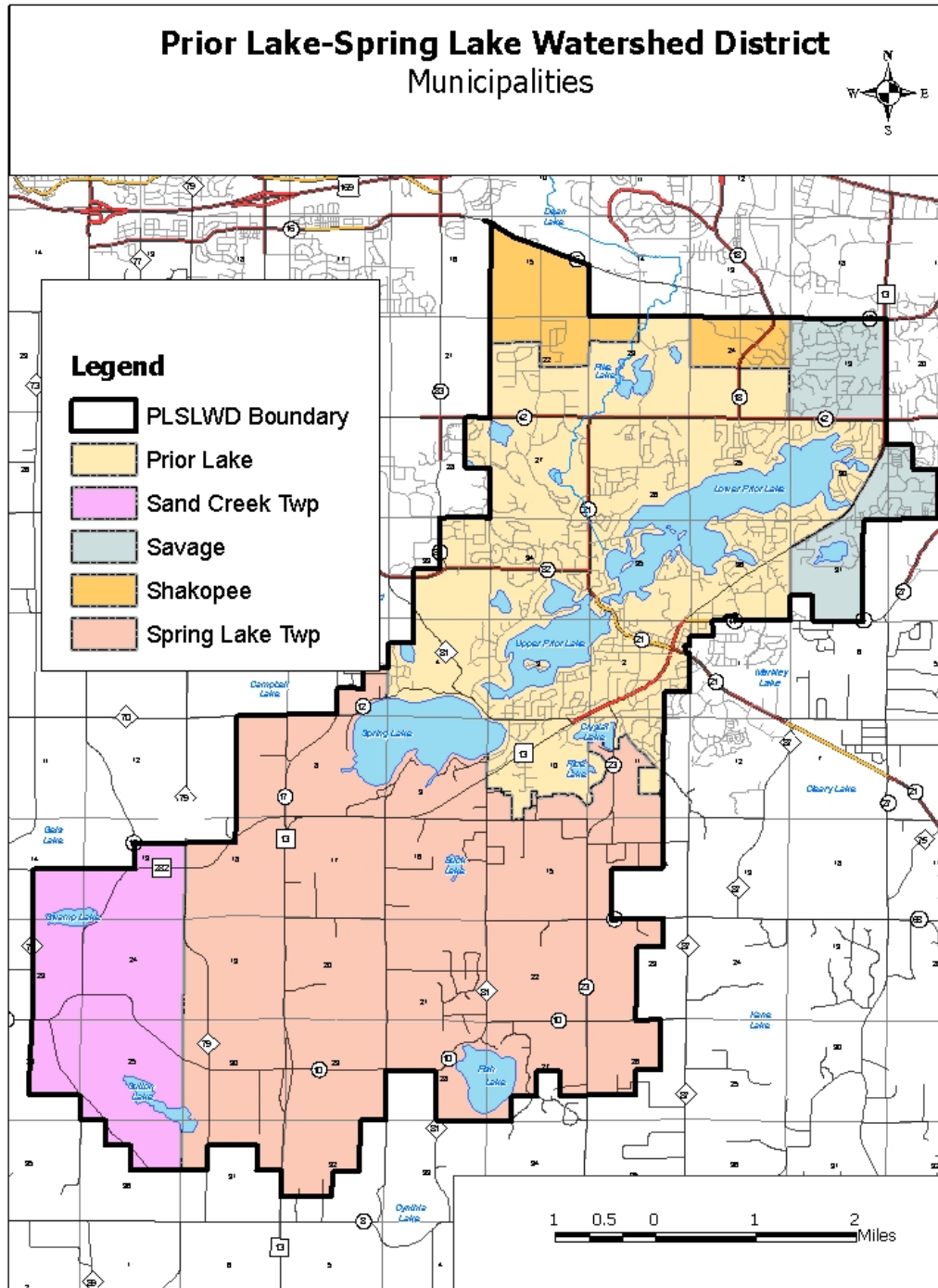
Biennial Solicitation for Consulting Services

The biennial solicitation for engineering, ecological, legal, easement/land acquisition, accounting and audit services for 2008 and 2009 was published for two consecutive weeks in October 2007 with a closing date for Letters of Interest on November 2, 2007. Submittals were reviewed at the January and March 2008 monthly meetings with professional services selected for the years 2008 through 2009 awarded at the March 2008 monthly meeting. Selected firms were Huemoeller, Bates & Gontarek, PLC, for legal services; Wenck Associates, for engineering services; Messerli, Schadow & Johnson, PLLP, for accounting services; and HLB Tautges Redpath, Ltd., for audit services.

Due to staff changes at the District's legal firm, the Board determined in August 2009 to terminate the contract with Huemoeller, Bates & Gontarek PLC and retain services with Gavin Law Offices until a firm was chosen via the biannual solicitation for services for 2010 and 2011.

The biennial solicitation for 2010 and 2011 was published for two consecutive weeks in October 2009 with a closing date for Letters of Interest on October 28, 2009. Submittals were reviewed and professional services were selected for the years 2010 through 2011 at a special meeting on November 18, 2009. Selected firms were Smith Partners, PLLP, for legal services; Emmons & Olivier Resources, Inc, for engineering services; Messerli, Schadow & Johnson, PLLP, for accounting services; and Abdo, Eick and Meyers, LLP, for audit services.

Figure 1-1. PLSLWD Municipalities



SECTION 2: ANNUAL ACTIVITIES

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

- Water Quality
- Volume Mitigation
- Outlet System Management

Summaries of these and other categories are provided in this section which closes with a brief work plan of anticipated activities for 2010. A summary and evaluation of the 2009 work plan and activities is provided in Table 2-1. The District's financial administration is largely summarized in Section 3; however, grants the District has received will be presented here along with their related program or project within the work plan.

SUMMARY OF 2009 GRANTS & WORK PLAN

When available, the PLSLWD applies for and makes use of state, federal and other grant programs to leverage the financial resources of the District and its taxpayers. In 2009 the District had the following active grants:

- Clean Water Act, Section 104b 3, Environmental Protection Agency: The District received a \$45,000 grant to complete nutrient Total Maximum Daily Load (TMDL) studies for Spring and Upper Prior Lakes. The initial grant was received in November 2006 and assistance was extended through December 31, 2009.
- Clean Water Legacy, Minnesota Board of Water and Soil Resources: The District received \$138,000 for reconstruction and enhancement of Prior Lake Outlet Channel Segment 5c. This grant went into effect January 1, 2007 and expired June 30, 2009.
- Clean Water Legacy, Minnesota Board of Water and Soil Resources: The District received \$75,000 for reconstruction and enhancement of the Prior Lake Outlet Channel Segment 4b. This grant went into effect February 1, 2008 and expires June 30, 2010.

Table 2-1. Work Plan Review, 2009

Subwatershed	Item	Page No.*	Status
All	Coordinate with County Road Improvements	5-41, 5-55	Continuing discussions regarding County Road/County State-Aid Highway 12, 18, 21, 42 and 82 road improvements. Approved permit for CSAH 21 Extension in November 2008, construction began in 2009. Partnership with City of Prior Lake to install BMPs on CR 12 reconstruction.
	Water Quality and Projects Communications (Education)	5-8, 5-15, 5-45, 5-56	Attended meetings, provided updates to the Lake Advisory Committee and the Prior Lake City Council. Submitted press releases and project ideas to <i>Prior Lake American</i> . Attended community events (Lakefront Days, Fall Community Fest). Partnered for the hiring of a County Wide Joint Stormwater Educator.
	Planning & Program Development	5-15, 5-16	Continued District Water Resources Management Plan revision. Held TAC meeting to obtain input. Provided comment on LMRWD draft Management Plan.
	Permitting, Plan Review & Compliance	5-16	Issued permits for County project and channel crossing. Attended local Development Review Committee meetings. Inspected past permit sites for compliance.
	Water Quality Monitoring and Other Data Acquisition Efforts	5-5, 5-35	Sampling completed by District (inflows) and volunteers (5 lakes, through Citizen Assisted Monitoring Program). In-depth monitoring of Spring, Fish and Upper Prior Lakes completed under contract. See sub-section on monitoring.
	Innovative Water Management Projects/Volume Reduction	5-6, 5-15, 5-38	Continued implementation of shoreland restoration/rain garden cost share program. Coordinated with local school district to plan for BMP retrofits on their sites. Sold 83 rain barrels to local residents during a two week sale.
Outlet	Outlet Channel Project – Construction and Maintenance	5-25, 5-34	Construction begun on Segments 2, 3, 7 and completed on Segment 8. Continued implementation of JPA/MOA for the Outlet Channel. Sought corrected easements for channel areas.
Prior Lake-Spring Lake	Land Management: Easements and Incentives	5-17, 5-24, 5-38, 5-46	Continued to contact landowners regarding wetland restorations and agricultural BMPs. The PLSLWD Board approved rate increases for joint incentive program with Scott SWCD for the 2009 docket.
	Land Management: Construction & Maintenance	5-17, 5-24, 5-38, 5-46	Combined with Land Mgmt- Easements and Incentives

	TMDLs and Lake Management Plans	5-6, 5-7	Continued coordination with stakeholders and MPCA for the Spring and Upper Prior Lake TMDL. Submitted draft TMDL to MPCA for comment and review.
Spring Lake	Operation of FeCl ₃ System	5-15, 5-54	Started the system in the spring and monitored effectiveness and permit compliance during operations and reported results to the MPCA. Applied for a renewed NPDES permit.
	In-lake phosphorus control: sediment phosphorus inactivation, Curlyleaf & carp management	5-10, 5-15, 5-43, 5-45, 5-52	Sediment inactivation project postponed indefinitely due to high costs. Aquatic vegetation surveys completed. Carp management postponed until a suitable graduate student can be found.
	Wetland Restoration/Enhancement	5-46, 5-51, 5-53	Discussed joint restoration opportunities with cities and county. Discussion will continue as part of the Spring and Upper Prior Lake TMDL implementation.

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

LOCAL GOVERNMENTAL COORDINATION/PLANNING

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

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

City of Prior Lake

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

City of Savage

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

City of Shakopee

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

report in October 2007. A rules equivalency MOA is not in place with the City of Shakopee.

Sand Creek Township, Spring Lake Township

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

In addition to participating in the planning processes of other local units of government, in 2008 the PLSLWD initiated a comprehensive update to its Water Resources Management Plan. The PLSLWD solicited input from local governments, state agencies and the public at the beginning of the process via letters, emails, an open house, a website notice and a notice in the *Prior Lake American* newspaper. The District continued to solicit and respond to comment provided through the revision and approval process of the updated Water Resources Management Plan. The plan was within the formal review process at the end of 2009. It is anticipated to be approved and adopted in June 2010.

The PLSLWD also spent considerable time and resources coordinating with the local governments along the Prior Lake Outlet Channel as implementation of the Outlet Channel JPA/MOA moved forward. All parties had signed the JPA/MOA in November 2007 and the initial meeting was held on December 11, 2007. In addition to the annual meetings, several technical meetings were held in 2008 and 2009 as the Outlet Channel Restoration and Enhancement Project was reevaluated by the JPA/MOA cooperators, and engineering and design work was transferred to Inter-fluve Inc.

PERMITS AND PROJECT REVIEWS

The District has regulatory authority and a permit program that requires property owners to obtain District approval for the following activities, if they exceed the District's area thresholds. To reduce duplicity and administrative costs, District permitting authority has been transferred to LGUs within the District that have established rule equivalency with the District. These include the Cities of Prior Lake and Savage and Scott County.

- Land Development Plans (land subdivision)

- Final Site Drainage Plans
- Bridge and/or Culvert Crossings of the Prior Lake Outlet Channel
- Public and Private Drainage Systems

In addition, projects of special concern to the District, within areas not covered by LGUs with equivalency, or sponsored by governmental units taking place within the District must be reviewed by the District. Preliminary plans are to be submitted for governmental projects in the above categories, as well as road, trail, or utility construction and reconstruction. Table 2-2 lists projects reviewed in 2009 and the action taken on those permit applications.

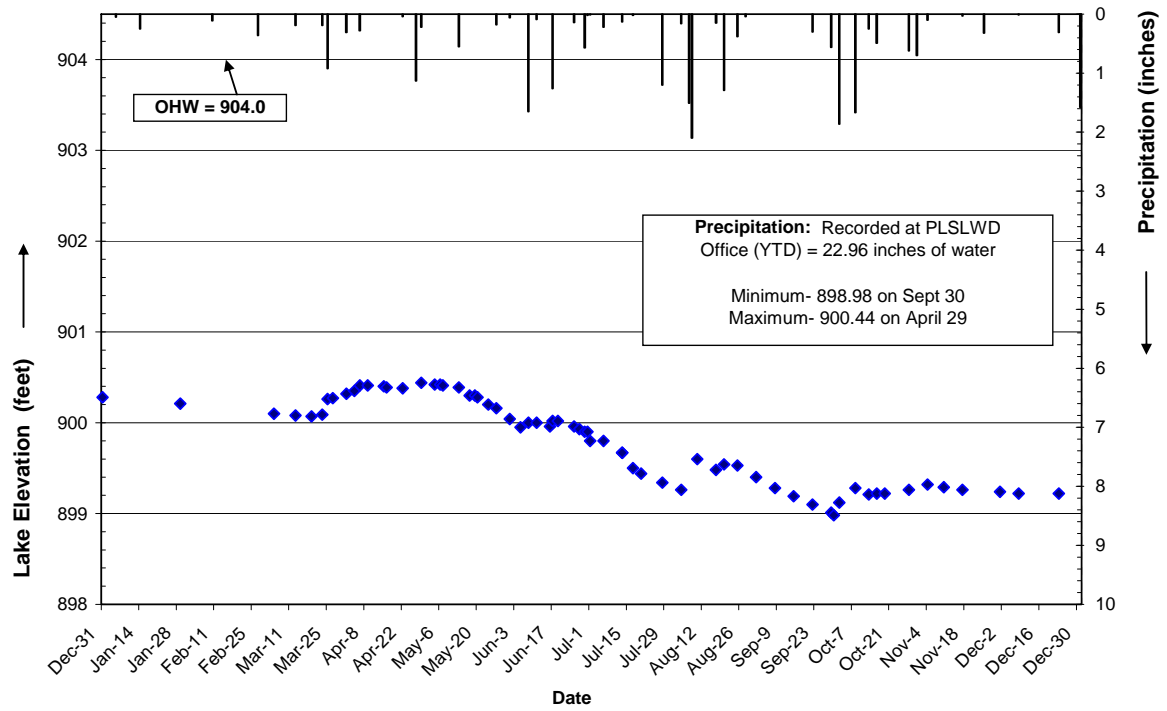
Table 2-2. Permit Activities, 2009

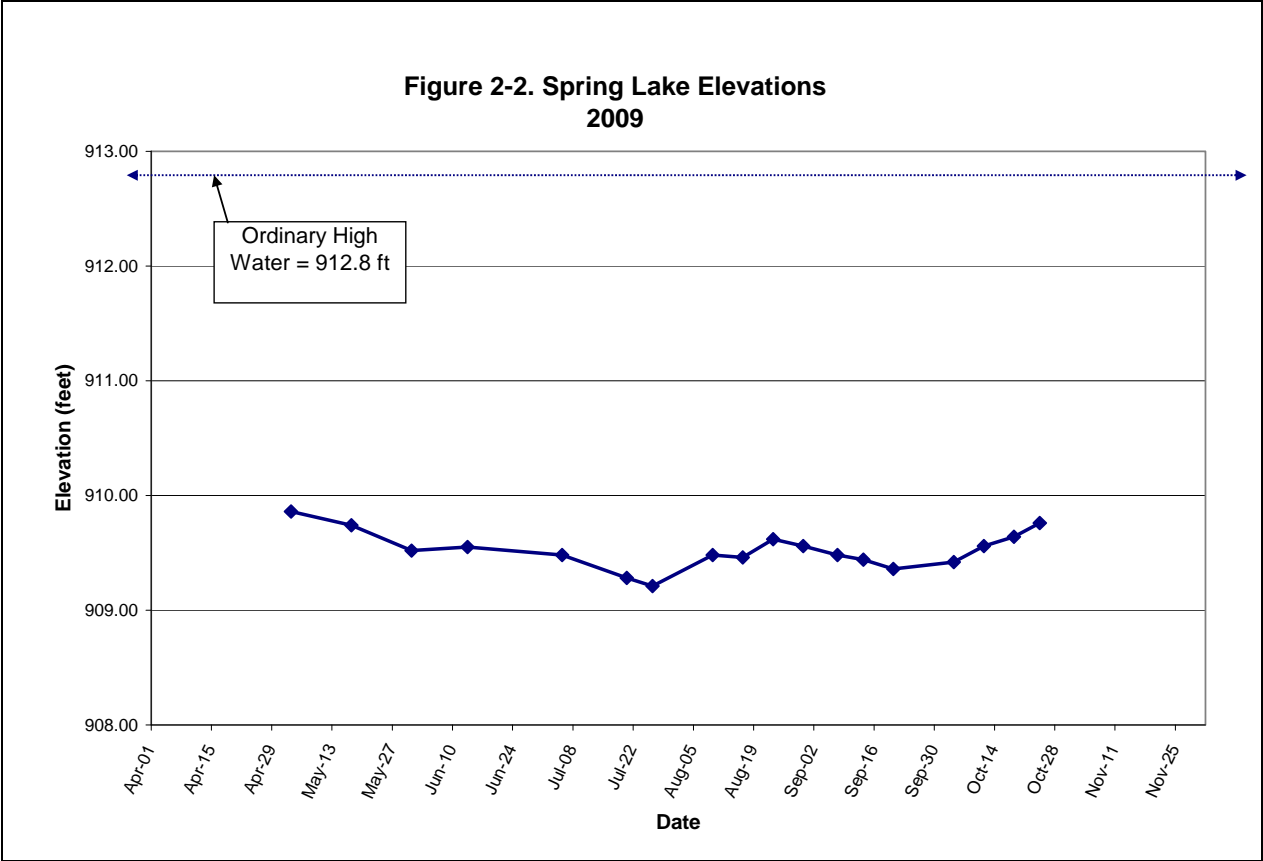
Application Number	Project Title	Permit Applicant	Initial Application	Board Decision	Permit Issued
2009.01	CSAH 101 Culvert Replacement	Scott County Highway Department	6/17/09	8/18/09	9/17/09
2009.02	Riverside Bluffs Channel Crossing	Mattamy Homes	9/11/09	9/22/09	9/22/09

PRIOR LAKE OUTLET OPERATIONS

In 2009, District Staff monitored the lake level of Prior Lake from ice-out to winter freeze. The level of Spring Lake was monitored by a citizen volunteer over the same time period. Figures 2-1 and 2-2 present lake level data for Prior and Spring Lakes, respectively.

**Figure 2-1. Prior Lake Elevation
2009**





District staff completed inspections of the Prior Lake Outlet Channel in the spring; the outlet channel was found to be in acceptable condition for the discharge of water. Due to low lake elevations, the outlet of Prior Lake was not operated and no notices of outlet opening were made per the outlet operating procedures.

The peak elevation for Prior Lake in 2009 was 900.44 feet, which occurred on April 29; the minimum elevation of 898.98 feet was observed on September 30. Ice out occurred on April 4, while both Upper and Lower Prior froze over on December 10; both dates are near the historical averages. Prior Lake elevations and outlet operation are summarized in Table 2-3. Additional details on the channel inspections are available from the PLSLWD office.

Table 2-3. Prior Lake Outlet Structure and Channel Operations, 2009

Date	Lake Elevation	Outlet Activity	Channel Activity
12/31/2008	900.28	Closed	Status
3/18/2009	900.08	Closed	Inspection
3/19/2009	900.07	Closed	Partial Inspection- Synoptic monitoring
3/25/2009	900.26	Closed	Partial Inspection- Synoptic monitoring
4/1/2009	900.32	Closed	Partial Inspection- Synoptic monitoring
4/7/2009	900.41	Closed	Inspection with City of Shakopee- Seg 5-8
4/8/2009	900.41	Closed	Inspection- Seg 1-4
4/9/2009	900.41	Closed	Partial Inspection- Synoptic monitoring

Date	Lake Elevation	Outlet Activity	Channel Activity
4/15/2009	900.40	Closed	Partial Inspection- Synoptic monitoring
4/22/2009	900.38	Closed	Partial Inspection- Synoptic monitoring
4/29/2009	900.44	Closed	Partial Inspection- Synoptic monitoring
5/6/2009	900.42	Closed	Partial Inspection- Synoptic monitoring
5/13/2009	900.39	Closed	Partial Inspection- Synoptic monitoring
5/20/2009	900.28	Closed	Partial Inspection- Synoptic monitoring
5/27/2009	900.16	Closed	Partial Inspection- Synoptic monitoring
6/8/2009	900.00	Closed	Partial Inspection- Synoptic monitoring
8/10/2009	899.60	Closed	Partial Inspection- Synoptic monitoring; Beaver dam removed on Seg 5c
8/20/2009	899.54	Closed	Inspection Seg 1
10/16/2009	899.22	Closed	Partial Inspection
10/22/2009	899.22	Closed	Partial Inspection- Synoptic monitoring

Precipitation for year 2009 is summarized in Table 2-4. February, March, August, October and December were wetter than average, however they did not make up for the deficits the rest of the year. A total of 27.41 inches of precipitation fell in the District in 2009, which was a significant increase from the 23.88 inches that fell in 2008.

Table 2-4. Precipitation, 2009

Month	30-Year Average*	2009**
January	0.67	0.46
February	0.72	0.90
March	1.54	1.77
April	2.13	1.96
May	3.68	0.99
June	4.76	3.59
July	4.09	1.62
August	4.01	6.71
September	2.67	1.04
October	1.92	5.58
November	1.17	0.59
December	0.77	2.21
Total	28.13	27.41

*30-Year Average, Scott County

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

In 2007, final design plans for reconstruction of the outlet structure on Prior Lake were completed. The Outlet Structure project was placed on hold until the necessary easements could be acquired. During 2009, progress was made with land owners regarding easement acquisition. As a result, design plans were revised. The project was bid and awarded in November and reconstruction of the existing outlet structure was scheduled to begin in early 2010.

DATA COLLECTION/MONITORING

Data collection and monitoring efforts in 2009 consisted of tributary/outlet monitoring, lake level monitoring, and in-lake monitoring. Summaries for each of these monitoring efforts are presented below, except for lake level monitoring results, which were presented in Figures 2-1 and 2-2.

Tributary/Outlet Monitoring

The Ferric Chloride Treatment system (FeCl_3) was dosing for a short period in April. Grab samples were collected and analyzed three times during April in accordance to the NPDES permit for the facility. Flows were also collected at the dosing site until water levels became too low to monitor.

Previous to 2009, tributary and outlet monitoring has been primarily limited to flows and grab samples as required for operation of the Ferric Chloride Treatment System (FeCl_3). In 2009, the District endeavored to engage a more comprehensive upper watershed, tributary and outlet monitoring system. The District contracted with Scott SWCD and completed 14 weeks of synoptic monitoring for 34 sites using a multi-parameter sonde. Due to the single year of data, no trends were able to be established. A comprehensive report on the data collected as part of this effort is available at the District office or on the District website.

Lake Monitoring

Five lakes within the District were monitored in 2009 as part of the Metropolitan Council's Citizen Assisted Monitoring Program (CAMP). The main purpose for participating in CAMP is to provide the District with water quality data that will support the District in properly managing its resources, and provide historic baseline data to help document water quality impacts. The following District lakes were enrolled in CAMP during 2009:

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

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

Summaries of the CAMP monitoring results are provided in the Metropolitan Council Environmental Services (MCES) 2009 Lake Water Quality Report. A numerical summary of the growing season (May through September) monitoring results for total phosphorus, Secchi disk transparency and chlorophyll-a is presented in Table 2-5. Figure 2-3 depicts the CAMP phosphorus data graphically, and Figures 2-4, 2-5 and 2-6 present more detailed monitoring data for Fish, Spring and Upper Prior Lakes based on the Three Rivers Park District data. A brief summary of the lakes' trophic status is also provided in the following paragraphs.

Table 2-5. Growing Season (May –September) Average Lake Monitoring Results, 2005-2009.

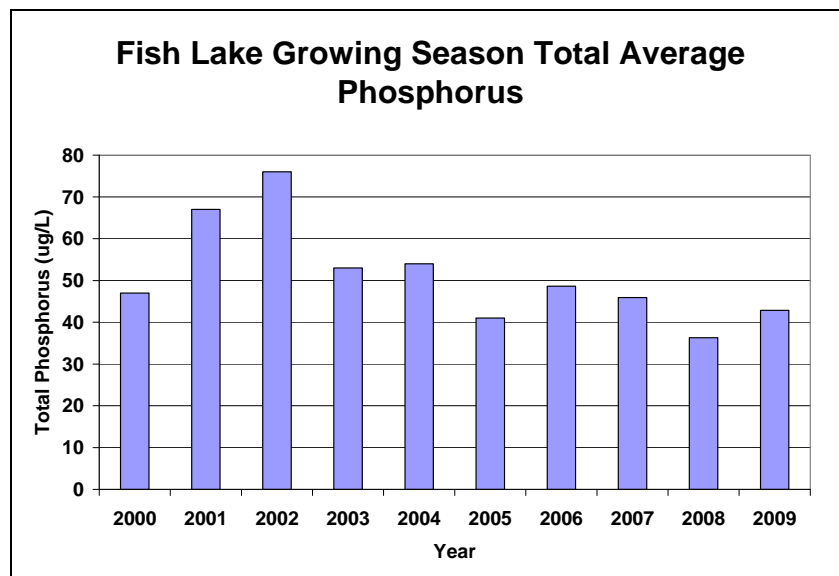
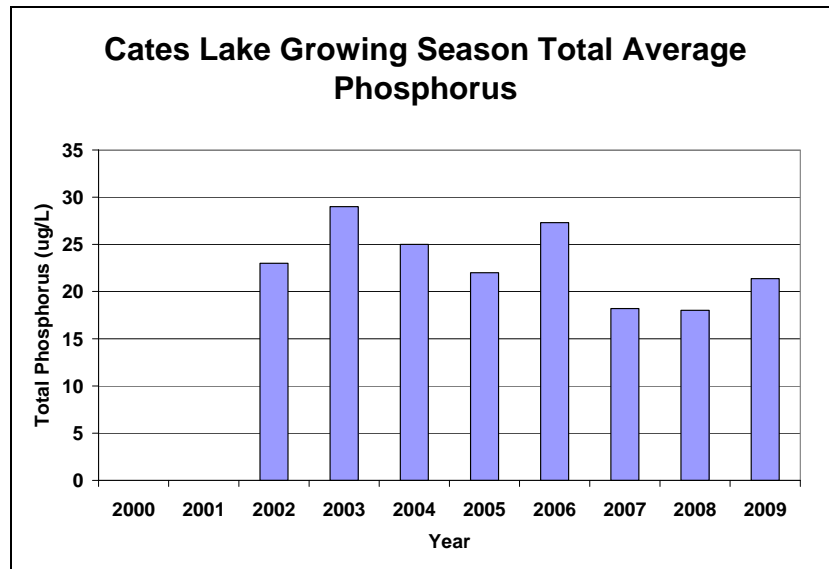
	TP (µg/L)					Secchi Disk (meters)					Chlorophyll- <i>a</i> (µg/L)				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
Spring (A)	76.7	76.2	59.7*	58.6*	79.7	1.7	1.4	0.90	0.94*	1.1	38.6	37.9	**	59.6*	27.4
Spring (B)	110.2	118.0	108.6	105.2	97.7	1.4	1.4	1.0	1.6	1.2	62.8	47.2	49.4	41.8	31.3
Upper Prior (A)	54.7	66.0	56.4	58.8	45.1	1.5	1.3	1.0	1.4	2.45	41.6	57.5	60.2	57.9	18.5
Upper Prior (B)	83.3	160.9	138.7	87.4	63.0	1.9	1.5	1.1	1.2	1.9	37.9	47.5	59.7	36.9	17.0
Lower Prior (A)	22.8	40.8	23.1	20.9	25.4	4.1	2.8	2.7	2.9	3.8	7.3	13.5	17.2	11.6	9.2
Fish (A)	40.0	48.6	45.9	36.3	42.8	1.3	1.3	1.2	1.3	1.4	22.9	17.6	28.5	21.3	20.4
Fish (B)	43.8	141.8	173.9	55.4	62.0	1.2	1.5	1.2	1.1	1.6	24.8	20.8	24.0	16.9	16.7
Pike (A)	273.7	**	**	**	**	0.5	**	**	**	**	93.9	**	**	**	**
Cates (A)	22.0	27.3	18.2	18.0	21.4	1.9	1.8	2.0	2.1	2.0	4.0	3.5	3.7	3.4	3.7

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

* One or more data points missing from the database.

** No monitoring occurred.

Figure 2-3 (5 graphs). Growing Season Average Total Phosphorus, 2000-2009 (CAMP data).



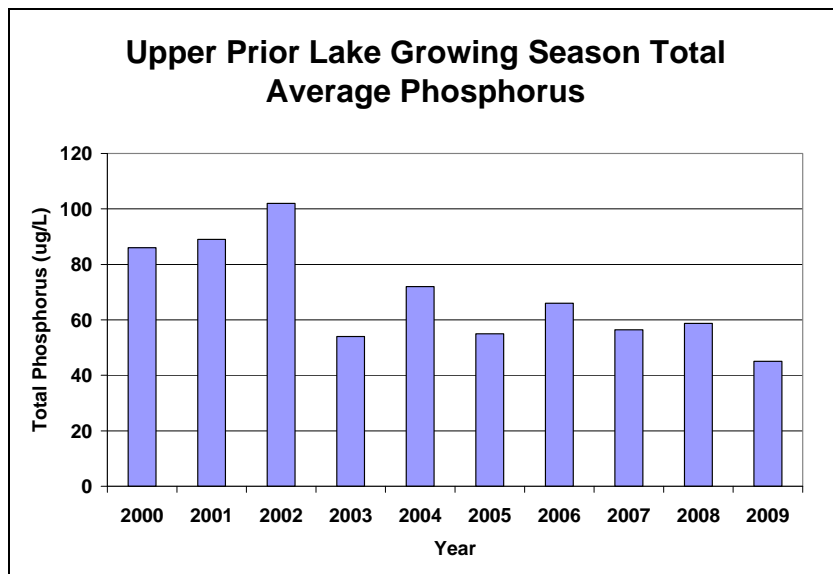
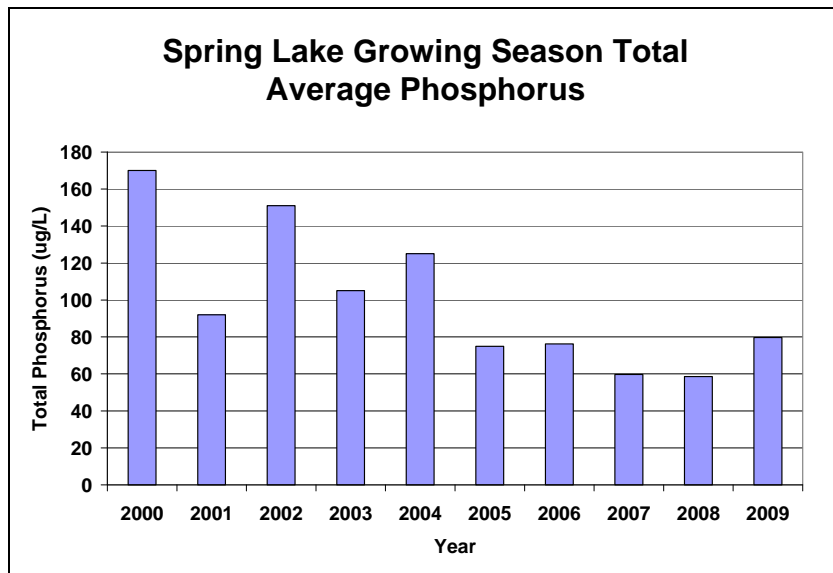
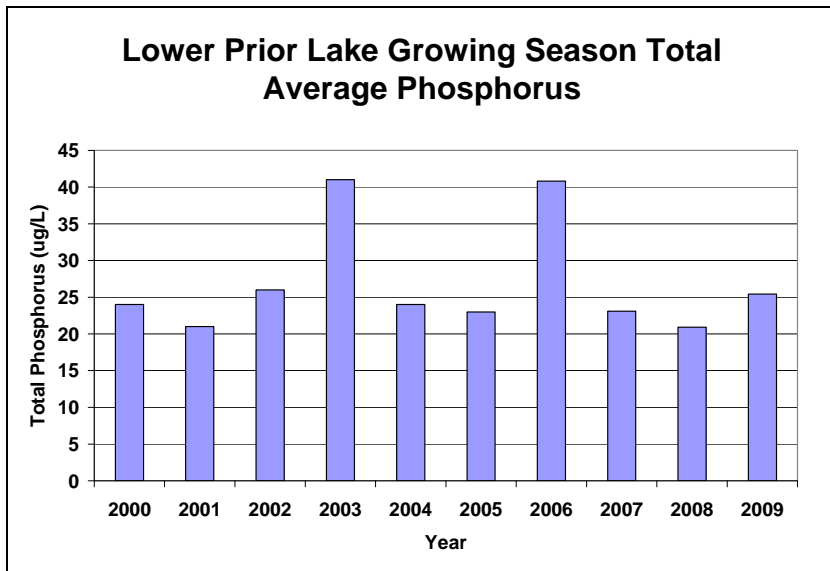


Figure 2-4. Spring Lake Total Phosphorus Sampling Results, 2009.

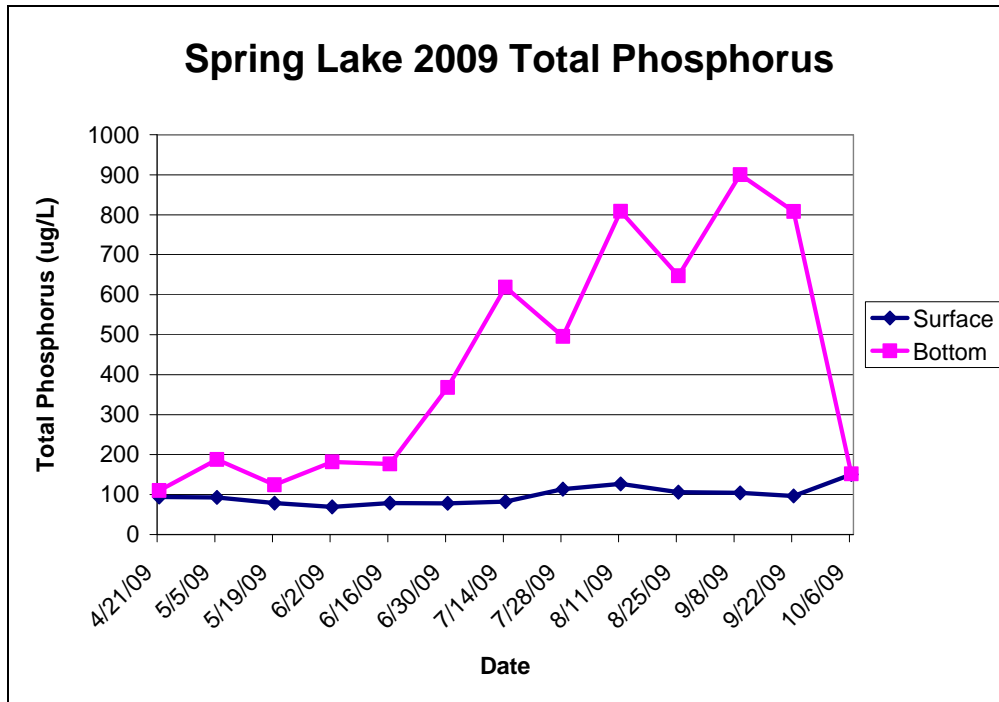


Figure 2-5. Upper Prior Lake Total Phosphorus Sampling Results, 2009.

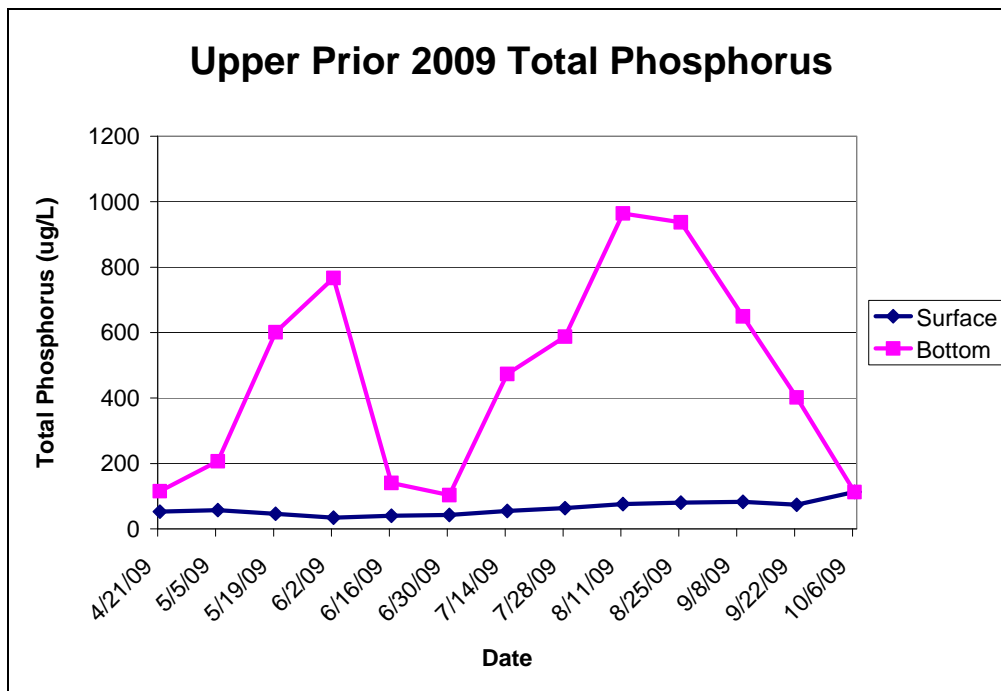
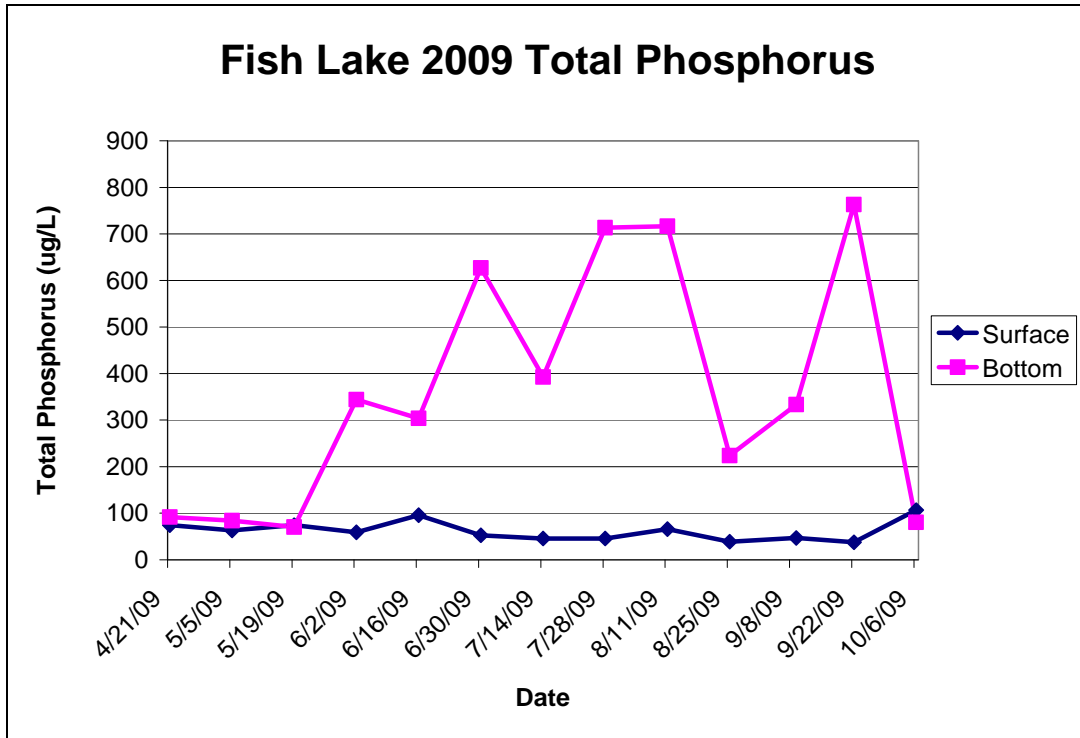


Figure 2-6. Fish Lake Total Phosphorus Sampling Results, 2009.



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

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

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

Table 2-6. Carlson Trophic State Index (TSI) Gradation.

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

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

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

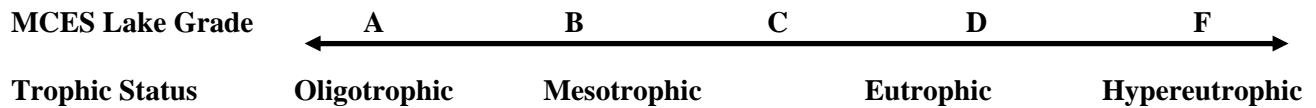


Table 2-7. Trophic Status of District Lakes, 2009 (based on CAMP data).

Lake	2009 Results				MCES Grade **	Trophic Status	Previous MCES Grades				
	TSI (TP)	TSI (Chl-a)	TSI (SD)	TSI (Ave)			2008	2007	2006	2005	2004
Spring	67	63	59	63	D	Eutrophic	D	C	C	C	D
Upper Prior	59	59	47	55	B/C	Eutrophic	C	D	D	C	D
Lower Prior	51	52	43	49	A/B	Mesotrophic	B	B	B	A	B
Fish	58	60	55	58	C	Eutrophic	C	C	D	C	C
Pike	*	*	*	*	*	Hyper-eutrophic	*	*	D	F	F
Cates	48	43	50	47	A/B	Mesotrophic	B	B	B	B	B

*No monitoring occurred

**Based on preliminary data

All of the lakes in the District are either eutrophic or hypereutrophic except for Cates Lake and Lower Prior Lake, which are mesotrophic. Review of Table 2-6 and comparison with the TSI descriptions in Table 2-7 shows that both Cates Lake and Lower Prior Lake are somewhat close to the boundary for a eutrophic lake, and this boundary is where problems may start to become evident. The western end of Lower Prior Lake is mesotrophic/eutrophic largely because of water flowing through this end from Upper Prior Lake to the outlet. The rest of Lower Prior Lake has a limited watershed and is isolated from a majority of the inflowing water from Upper Prior Lake.

Other entries in Table 2-7 generally describe District lakes in relation to their TSI quite well. With the exception of Lower Prior Lake, lakes in the District are relatively shallow. The shallow conditions partly explain the high degree of eutrophication in District lakes. It is well documented that shallow lakes generally have higher phosphorus concentrations and they are also more sensitive to watershed changes.

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

Internal Nutrient Loading: Past studies have shown that a significant proportion of the phosphorus loading to Spring and Upper Prior Lakes comes from internal sources of nutrients. This observation is reinforced by the 2009 Three Rivers Park District monitoring data, which tracked

the build-up of phosphorus in the hypolimnion (i.e. bottom water) of Spring, Fish and Upper Prior Lakes through the summer months. To evaluate historic phosphorus levels, three core samples were taken from Spring Lake in June in conjunction with the University of Minnesota and the University of St. Thomas. The analysis of these core samples has not yet been completed.

Efforts to control curlyleaf pondweed and limit carp activity will help to partially reduce internal recycling of phosphorus. At some point in the future, sediment phosphorus inactivation may be required to more fully address this internal loading. However, the external (i.e. watershed) inputs of phosphorus must be further reduced to increase the potential long-term effectiveness of a sediment phosphorus inactivation effort such as an in-lake alum treatment. The District planned to begin work on a carp study with the University of Minnesota in 2009, as rough fish are a common source of internal nutrient resuspension. This was postponed, however, until an appropriate graduate student can be found to take on the project.

PUBLIC EDUCATION AND INFORMATION

Public education and information programs completed in 2009 focused on promoting and facilitating shoreland restoration and buffer projects; providing technical assistance and grants to local schools engaged in water quality improvement projects and watershed education efforts; and providing District residents with information about watershed management issues, partnership opportunities, and upcoming projects.

Throughout 2009 District staff spent 67 hours participating in local community and school district events. Some of the school events included elementary school “Water and Fishing” days and a junior naturalist field and leadership day. District staff also had informational booths at the City of Prior Lake Lakefront Days and the Fall Community Festival where residents learned about District programs and projects.

The District also ran a two-week rain barrel promotion during which 83 rain barrels were purchased by PLSLWD residents. Verde Strategies held a short workshop at the rain barrel pickup regarding installation, maintenance and general stormwater retention BMPs. Residents showing interest in rain barrel purchase after the promotion were referred to Scott Soil and Water Conservation District (SWCD) who had a longer promotion period.

The District partnered with the Prior Lake-Savage Area School District and provided \$8,000 for students to attend environmental summer camps. An additional \$2,000 was provided to support local teachers attending a conference to increase their comfort level integrating environmental science into their curriculums and teaching in outdoor settings. Additionally, the district partnered with the school district in planning a large demonstration retrofit infiltration project at one of the local schools. This project will move forward in the spring of 2010.

Informational news briefs and news released were submitted to the *Prior Lake American* newspaper, and other local periodic news publications. A total of nine articles were submitted for publication in 2009 and all were posted on the District website.

The District Administrator was interviewed for a feature episode of Inside City Hall with the City Administrator. The hour long interview focused on what a watershed district is, what the

PLSLWD does and current projects. The program is shown on the municipal community cable channel and is available on demand from the City of Prior Lake website.

Partnership with local volunteer monitors continued for both precipitation and in-lake water quality monitoring within the District. Additionally, the District continued its efforts to educate residents about Curlyleaf pondweed and aquatic plant management. District staff was available to answer residents' questions about Curlyleaf control efforts, and the benefits of native aquatic plants. Copies of the Aquatic Plant Management Plans for District lakes, as well as previous aquatic plant surveys and fact sheets, were made available to the public.

The partnership between the Scott SWCD and PLSLWD continued in 2009, with the SWCD providing technical assistance to District residents on agriculture BMPs, runoff reduction options, wetland restoration opportunities, and other land management practices. SWCD staff also presented information on water quality and soil conservation to schools within the watershed.

The District participated in the formation of the Scott County Joint Stormwater Education Program with several other MS4 communities in Scott County. This program allows for a coordination of stormwater education efforts, and has provided for a Joint Stormwater Educator position beginning in early 2010.

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

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

Finally, the District produced a brochure identifying the representatives on the organization's board, how to contact the organization, its role in local water management, and the overall goals of the organization and when public meetings are held. This brochure was available at all community events the District participated in, as well as posted on the District website. Additionally, as soon as the 2008 Annual Report was completed, the District sent copies of it to the local governments, partner organizations and posted the report on the District website. This report provided more in depth information on the District including how the organization is financed, where the local water resource plan can be viewed, and other information relative to the implementation of the plan of the goals and policies governing the District.

PROGRAMS/PROJECTS

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

- Water Quality
- Volume Mitigation
- Outlet System Management

Water Quality

This focus area includes a number of programs and projects, including: Curlyleaf pondweed and carp management, operation of the Ferric Chloride (FeCl_3) Treatment System, efforts to address TMDLs and listed impairments in the District, implementation and refinement of the *Sustainable Water Quality Management Plan for Prior and Spring Lakes* and the *Sustainable Lake Management Plan for Fish Lake*, and incentives and technical assistance for the adoption of innovative best management practices for runoff management (both quality improvement and volume control) in the watershed. The following paragraphs summarize those elements of the District's Water Quality efforts that are not highlighted or detailed elsewhere in this report.

In 2009, the District continued its Curlyleaf pondweed management efforts through sponsoring surveys on Fish, Spring, Upper Prior and Lower Prior Lakes. Spring Lake open water was not treated in 2009, for the third year in a row, because of past years successful Curlyleaf treatment. After four years of treatment on Fish Lake there was no indication of a need for treatment based on an early season survey and no treatment was completed. The results of aquatic plant surveys conducted in 2009 suggest that the Curlyleaf pondweed management effort is reducing the overall density of the plant found growing in Spring Lake and Fish Lake prior to treatment. The treatment has not harmed the native aquatic plants in Spring or Fish Lakes. In 2009, the District also surveyed Upper Prior and Lower Prior Lakes. The results of the survey showed treatable areas; however, due to warm water temperatures it was too late to complete an early season treatment.

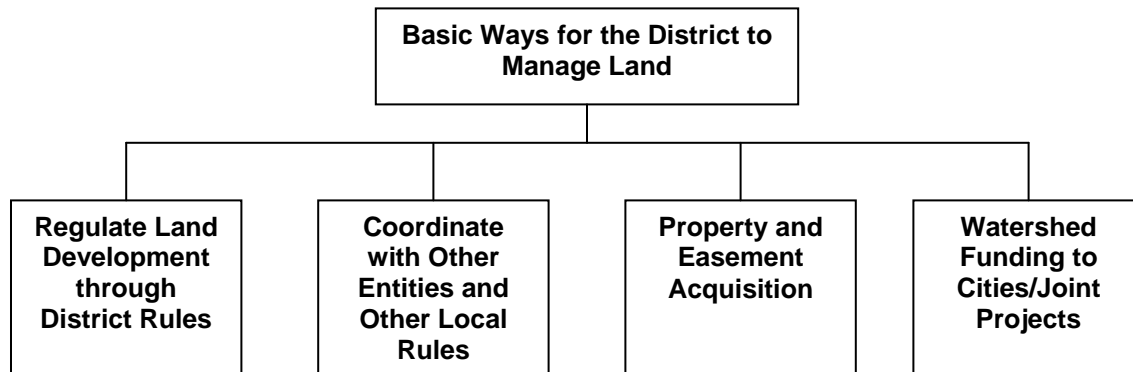
After realizing the complexities of carp management and their impacts on water quality, the District is looking to study carp habits with the assistance of the University of Minnesota, and other carp experts, as soon as a suitable graduate student is selected to take on the project.

Finally, the District promoted shoreland restoration along area lakes by providing technical design assistance through a partnership with the Scott SWCD and the Metropolitan Association of Soil and Water Conservation Districts. Nine property owners were given technical assistance and five were provided with landscape designs in 2009. Two projects that began in 2008 were completed and issued cost share funds in 2009.

Volume Mitigation

The District does not have specific land use/zoning authority for setting aside open space and water storage areas. The District does, however, have other means of affecting land management (Figure 2-8). The District attempts to take advantage of all four mechanisms shown in Figure 2-8 in order to help address volume mitigation and preserve critical or high value open spaces.

Figure 2-8. Watershed Authority for Land Management



District Rules: The District continued to implement its rules through its permitting program in 2009. In addition, the Board of Managers and staff continued to discuss further refinement of the District’s infiltration and buffer rules, and potential changes needed when the rules are updated.

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

The District has completed rules equivalency Memorandums of Agreement (MOA) with the Cities of Prior Lake and Savage and Scott County. These MOAs were the result of District approval of the local water plans and a finding of equivalency between the District and County rules. These MOAs will be reassessed in the future as the District completes its Water Resources Management Plan and updates its rules.

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

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

Joint Projects: In 1999 the District authorized supplemental payments for a filter strip program sponsored jointly with the Scott SWCD. By pooling resources, the District is able to offer incentive payments for 10-year agreements on filter strips that are competitive with rental rates for cropland. This makes conservation an economically competitive choice for farm operators in the District. In early 2000, the District also authorized a similar program with supplemental payments for the Conservation Reserve Enhancement Program (CREP). Efforts in 2009 included the promotion of these programs, coordination with the Scott SWCD, and contact by the SWCD with watershed residents. In 2008 the District renewed its authorization for supplemental incentive payments for participation in the federal Environmental Quality Incentives Program (EQIP). The District annually adopts a cost share docket with the Scott SWCD delineating the eligible programs and the cost share amounts. A copy of the docket is available at the District office or on the District website.

There is currently no wetland banking program within the District or within Scott County, though the District continues to assess the opportunity for one in order to ensure mitigation can occur locally on District or District permitted projects. The District held 1.76 acres of wetland credits in 2009.

Outlet System Management

Efforts continued in 2009 on implementing the strategies identified in the *Prior Lake Outlet Channel and Lake Volume Management Study* (May 2003). The District continued to work with the City of Prior Lake, City of Shakopee and Shakopee Mdewakanton Sioux Community to identify changes needed in the Joint Powers Agreement and the work plan for the Outlet System. A summary of channel activity by segment for 2009 is as follows:

- Inter-fluve completed design and engineering work for the Prior Lake Outlet Channel Restoration and Enhancement project on **Segments 2, 3, 4, 7, and 8.**
- Construction work is complete on a portion of **Segment 1.** The District continues to work with Minnesota Native Landscape to discuss the matter of maintenance and repairs of the work.
- Design work for **Segment 2** was completed by Inter-fluve in mid 2009 with construction beginning in late 2009. Construction was halted due to frozen ground conditions and will be completed in 2010.
- **Segment 3** is primarily comprised of the YMCA property as well as a couple of private lots. The Shakopee Mdewakanton Sioux Community purchased the YMCA property in 2008, and the District worked toward finalizing a corrected easement on that property in 2009. Final design work for this segment was completed by Inter-fluve in mid 2009 with construction beginning in late 2009. Construction was halted due to frozen ground conditions and will be completed in 2010.

- The District has continued to work with landowners on **Segment 4** to obtain corrected easements. Design work for this segment was completed by Inter-fluve in mid 2009. Construction was postponed until appropriate easement evaluations could be made.
- **Segment 5** did not have any significant additional construction work completed by the District. A new crossing was permitted by the District in Segment 5a as part of a housing development, which included the completion of the channel work in that segment. Segment 5b has not been designed or constructed due to litigation between the property owner and the City of Shakopee.
- There was no work completed in 2009 on **Segment 6** and no work is planned.
- Design work for **Segment 7a** was completed by Inter-fluve in mid 2009 with construction begun and completed in late 2009. Vegetation plantings will be completed in early 2010.
- A culvert replacement project was the only work on **Segment 8** in 2009.

Final design plans for reconstruction of the **Prior Lake Outlet Structure** were approved and the project was bid in the fall of 2009. The project itself will not begin until early 2010.

YEAR 2010 WORK PLAN

The 2010 Work Plan for the District's Water Resources Management Plan implementation is presented in Table 2-8. The work plan follows the tasks and the projected budget outlined in the District's 2010-2019 Water Resources Management Plan. Copies of this Plan and additional detail regarding the work plan are available by contacting the District office. Note that the District's 2010 levy also includes \$200,000 for general administrative activities, bringing the total levy for 2010 to \$741,253.

Table 2-8. 2010 Work Plan and Budget

Subwatershed	Item	Page No.*	2010 Budget**
All	Innovative Water Management and Demonstration projects	4-5	\$50,000
	Information and Education Program	4-6	\$50,000
	District Monitoring Program	4-7	\$40,000
	BMP and Easement Inventory and Inspection	4-7	\$15,000
	LGU Wetland Functions and Values assistance	4-8	\$35,000
	Infiltration Enhancement Pilot Project	4-8	\$10,000
Outlet	Prior Lake Outlet Structure	4-9	\$200,000 and JPA funding
	PLOC Restoration and Maintenance	4-10	\$100,000 and JPA funding
	Outlet Channel Monitoring	4-10	\$8,000
	Review Jurisdictional Border	4-11	\$15,000
Prior Lake	Storage and Infiltration Projects	4-11	\$25,000
	TMDL Implementation Plan and projects	4-12	\$15,000
	Prior Lake Aquatic Vegetation Management	4-13, 4-14	\$13,000
	Shoreline Restoration Plan and Implementation	4-15	\$10,000
Spring Lake	Storage and Infiltration Projects	4-15	\$35,000
	TMDL Implementation Plan and projects	4-16	\$15,000
	Highway 13 Wetland, FeCl System, and Desiltation Basin Operation and Maintenance	4-18	\$25,000
	Spring Lake Aquatic Vegetation Management	4-19	\$8,000
Upper Watershed	Grant Match for Land or Easement Acquisition	4-20	\$50,000
	Agricultural Outreach and Incentives	4-21	\$30,000
	Identify and Mitigate Channel Erosion	4-22	\$4,000
	Fish Lake Aquatic Vegetation Management	4-22, 4-23	\$10,000
District Operations	Rules and Standards Revision	4-24	\$50,000
	Permitting, Plan Review and Compliance	4-25	\$50,000
	Planning and Program Development	4-25	\$20,000
Total			\$853,000

*Refers to the page number in the 2010-2019 Water Resources Management Plan.

** Budgeted amounts are taken from the CIP table of the 2010-2019 Water Resources Management Plan.

SECTION 3: FINANCIAL ADMINISTRATION

This section presents the 2009 financial information for the District. A financial statement for 2009 based on the District's revenues and expenses is presented in Table 3-1. The audited financial statements are available from the District office.

EXPENDITURES UNDER BUDGET

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

- **General Fund:** Due to the depressed economic market for commercial office space, office operations costs were less than anticipated. Additionally, a planned move of the office location was not undertaken.
- **509 Implementation Fund:** The main difference between the budgeted and actual costs in this fund was due to the Outlet Channel Restoration and Enhancement Project. For example, while construction of the Outlet Channel Restoration and Enhancement Project was initiated in 2005 as planned, much of the other planned work has not yet been completed. The design and construction schedule for previously planned 2009 channel segments were modified, putting off some of the costs until future years. Also, the Outlet structure reconstruction project began as planned in 2009, but was pushed back until early 2010. Additionally, there was little interest in innovative water management grants and land management incentives, so these funds were not fully utilized. There were also no wetland acquisitions or restorations.
- **Outlet Project:** These funds include JPA/MOA funds that are administered by the Watershed District for the Prior Lake Outlet Channel.
- **Outlet Maintenance:** Due to the construction work on the channel, maintenance costs were covered under other fund areas.
- **Debt Service:** Due to the more gradual start to the channel work, bonding costs were not fully realized in 2009.
- **Construction Fund:** The design and construction schedule for previously planned 2009 channel segments were modified, putting off some of the costs until future years. Grant funding has also been available to supplement District expenses on construction costs.

EXPENDITURES OVER BUDGET

There were no items that were over budget for the fiscal year ending December 31, 2009.

Table 3-1. Fiscal Year 2009 Financial Summary

Fund	Balance 1/1/09	Balance 12/31/09	Actual Expenses	Budgeted Expenses	Variance with Final Budget - Over (Under)
General	\$45,574	\$148,265	\$145,936	\$192,292	(\$46,356)
509 Implementation	\$1,959,187	\$1,944,521	\$415,733	\$1,188,150	(\$772,417)
MOA/JPA Construction	\$39,428	\$95,784	\$360,254	\$513,652	(\$153,398)
MOA/JPA Operations	\$0	\$128,724	\$14,649	\$269,116	(\$254,467)
MOA/JPA Emergency	\$157,002	\$213,158	\$0	\$0	\$0
Outlet Maintenance Trust	\$8,032	(\$39)	\$8,386	\$6,338	\$2,048
Milfoil Control	\$13,343	\$13,866	\$0	\$0	\$0
Revolving Contingency	\$77,265	\$80,294	\$0	\$0	\$0
Bond Debt Service	\$63,600	\$51,674	\$139,028	\$139,028	\$0
Bond Construction	\$1,361,261	\$1,033,736	\$0	\$0	\$0
Totals	\$3,724,692	\$3,709,983	\$1,083,986	\$2,308,576	(\$1,224,590)

2010 CERTIFIED LEVY

The preliminary 2010 Levy and Budget was adopted in September 9, 2009. Prior to adoption the District held a Public Hearing at the beginning of the September Board Meeting. The final levy was certified with Scott County in December 2009.

2008 and 2009 ANNUAL AUDIT

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

The 2008 Auditor’s Report states that for the items tested (contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, and claims and disbursements), the Prior Lake-Spring Lake Watershed District complied with the material terms and conditions of applicable legal provisions, except that there is a significant deficiency in the District’s internal control measures. However, this deficiency is common to organizations of small size and unavoidable within the District’s small staff. The District has policies in place to compensate for

the lack of segregation of duties within staff, including having all disbursements approved by the Board of Managers. The 2009 Audit is being completed by Abdo, Eick and Meyers LLP, and will include both the District's Annual Financial Report and the Independent Auditor's Report on Compliance with Minnesota Legal Compliance Guide for Local Governments for the year ended December 31, 2009. A copy of the 2009 Annual Audit is available for review at the District office.