

MEETING MINUTES

Riley-Purgatory-Bluff Creek Watershed District

July 15, 2026 RPBCWD Board of Managers Workshop

Attendees:

Managers Jill Crafton* (Secretary), Tom Duevel* (Treasurer), Bonnie Nelson (Vice President), Dorothy Pedersen (President), and Leslie Stovring*

Staff/Advisors Liz Forbes (Deputy District Administrator), Michelle Gardener (Operations Manager), Terry Jeffery (District Administrator), Dylan Monahan (Watershed Planner), Louis Smith (Smith Partners), and Scott Sobiech* (Barr Engineering)

Other Attendees: None

**Attended the meeting virtually.*

Call to Order

President Pederson opened the Wednesday, July 15, 2026, Board of Managers Workshop at 5:00 p.m. at the District Office, 18681 Lake Drive East, Chanhassen, Minnesota. Manager Nelson was also in attendance at the District Office. Managers Crafton, Duevel, and Stoving were in attendance virtually.

1. Discussion of Preliminary Budget and Levy

Administrator Terry Jeffery displayed the presentation, "Preliminary Budget and Levy for 2027 Fiscal Year – Board of Managers Workshop, July 15, 2026." He revisited the District-wide programs, initiatives, and planned 2027 activities, including planning, outreach, data collection, and other activities such as regulatory program updates and revisions and completing the risk assessment.

Administrator Jeffery presented the proposed changes to the draft budget compared to the version presented to the Board on June 17th. He said one change is a proposed budget increase of \$750,000 to include increasing the funding for the Dell Road culvert and channel repair by approximately \$500,000, adding \$75,000 for architectural services on the Spring Road Conservation Project, and adding an additional 1% to the assumed benefit increase, making it a 12% increase instead of 11%.

Administrator Jeffery reviewed a summary of 2027 proposed expenditures by category:

- Overhead costs: \$312,000
- Professional services: \$436,700
- Personnel costs: \$1,350,570
- District-wide programs: \$1,644,900

- Capital projects: \$5,026,050
- Total proposed 2027 expenditures: \$8,770,220

Administrator Jeffery reviewed the proposed 2027 operating costs budget and estimated levy:

- Staff costs: \$1,298,000
- Board of Manager expenses: \$52,570
- Facilities: \$231,000
- Professional services: \$436,700
- Total estimated operating costs 2027 levy: \$2,099,270

Administrator Jeffery said there are not any proposed changes to the budget for the District-wide Programs and Initiatives compared to the draft budget the Board reviewed and discussed at the June 17th Board Workshop. He pointed out that the District-wide Programs and Initiatives budget proposed for 2027 is an approximate decrease of \$250,000 compared to 2026.

Administrator Jeffery explained that the Riley Creek Capital Projects proposed 2027 budget, which is \$3,355,450 and includes the Spring Road Conservation Project, is the lion's share of the 2027 capital projects budget. He said the Purgatory Creek Capital Projects budget proposes a budget increase of approximately \$1.1 million over the 2026 budget to address the North Lotus Lake SW Park. Administrator Jeffery reported that the Bluff Creek Capital Projects for 2027 is only \$19,100 because the Upper Bluff Creek (B5) Project is delayed until at least 2028.

Administrator Jeffery reviewed the District's budget and levy amounts from 2020 to 2026. He pointed out the District's 2026 levy did not increase over the 2025 levy amount, and the 2026 budget was a 4% increase over the prior year. He summarized the District's operating costs from 2021-2027.

Administrator Jeffery presented the Board with a list of levy and reserve fund scenarios:

- "Fully Funded": Reducing the 2027 levy through the expenditure of reserve funds only;
- "Reduced Budget Only" :Reducing the 2027 levy through the expenditure of reserve funds and a \$203,000 budget reduction
- "Fund Transfer Only": Reducing the levy through the expenditure of reserve funds and a transfer into the Reserve Fund, or directly into the Culvert project, the \$660,000 budget that remains in the Upper Bluff Creek Project.
- "Reduce & Transfer": Reducing the 2027 levy through the expenditure of reserve funds, a \$203,000 budget reduction, and a \$660,000 budget transfer.

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60 Administrator Jeffery recommended the third scenario, "Fund transfer only," which reduces
 61 the levy through the expenditure of District reserve funds and transferring the \$660,000
 62 Upper Bluff Creek budget to reserves. Specifically, Administrator Jeffery recommended the
 63 Board set the 2027 budget at \$8,770,220, transfer the \$660,000 estimated to remain in the
 64 Upper Bluff Creek fund, allocate \$2,155,270 from the District's Reserve Fund, increase the
 65 2027 levy by 4% over 2026 to \$4,423,850, and leave the Reserve Fund balance at
 66 \$4,543,246. He noted for this scenario, a 5% levy increase over 2026 means a levy of
 67 \$4,475,000, using \$2,104,120 from the Reserve Fund, and leaving a Reserve Fund balance
 68 of \$4,594,396. Administrator Jeffery said a 6% levy increase over 2026 means a levy of
 69 \$4,500,000, using \$2,079,120 from the Reserve Fund, leaving a Reserve Fund balance of
 70 \$4,619,396.

71 Manager Crafton said she would like to increase the levy by 5% to have funds for what the
 72 District needs to do. Manager Stovring agreed that a 5% increase seems reasonable. She
 73 said projects could come in with bids higher than budgeted. Manager Duevel agreed with a
 74 5% increase to the levy. He noted that many of the LGUs are increasing budgets 5% to 10%.
 75 Manager Duevel commented that he does not think the inflationary pressure will go away.

76 Manager Nelson supported the 4% levy increase and noted she does not see the justification
 77 for a larger increase to the levy. She said she supports moving the \$660,000 from the Upper
 78 Bluff Creek Project, but she does not agree that the rationalization of having extra funds as
 79 buffer is justifiable. President Pedersen agreed with a 5% levy increase and said having the
 80 extra 1%, or \$50,000, will help if project budgets come back higher than anticipated.

81 President Pedersen encouraged the Board members to consider the benefit of getting started
 82 on the Spring Road design. She said costs will only continue to increase. Manager Stovring
 83 agreed with getting started. Manager Crafton and Manager Duevel also agreed with getting
 84 started on the Spring Road design. President Pedersen said she is hearing that the managers
 85 are 4-1 in favor of keeping the \$75,000 for the Spring Road project the proposed 2027
 86 budget.

87 Manager Duevel supported taking the money out of the reserve, so scenario 3. Manager
 88 Stovring agreed with scenario 3. Administrator Jeffery said to clarify, the managers need to
 89 decide how much to take out of the reserve funds. The managers discussed scenario 3 and
 90 the levy increase percentage. Administrator Jeffery says he is hearing that the majority of
 91 the Board supports a 5% levy increase through scenario 3.

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2. 10-Year Plan Update: Mission and Vision

93 Dylan Monahan displayed the slide presentation, "10-year Plan Update: Mission and
 94 Vision." He went through the plan update timeline, summarizing the work that has been
 95 accomplished prior to this meeting and what work lies ahead between now and fall of 2027.
 96 He summarized that the timeline targets having the 60-day stakeholder review of the draft
 97 plan in fall of 2026, the public hearing on the draft plan in early winter of 2027, submitting

the draft plan to BWSR for its 90-day review in spring of 2027, and the Board adopting the plan in early summer of 2027.

Mr. Monahan presented the draft vision statement and refined draft mission statement. Manager Crafton said her concern under the mission statement is that there isn't just a single resilient ecosystem. She commented that the wording should be changed to "resilient ecosystems." Manager Crafton asked about the meaning of the hydrologic cycle. Manager Nelson suggested using the term water cycle instead of hydrologic cycle. There was discussion about the two terms. President Pedersen, Manager Stovring, and Manager Nelson supported using "hydrologic cycle". Manager Duevel and Manager Crafton supported the term "water cycle."

Mr. Monahan said he hears the managers supporting the vision statement as it is presented: "An ecologically rich landscape with a restored hydrologic cycle where people and nature exist in balance." He said he hears the managers are in favor of making a change to the mission statement to replace "a resilient ecosystem" with "resilient ecosystems," so that the mission statement reads: "To protect, manage, and restore resilient ecosystems."

Mr. Smith said he thinks the District will hear feedback that "ecosystems" are broader than the District's purview, so the District should be prepared for such comments.

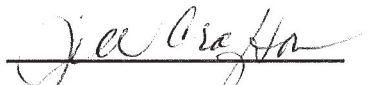
Mr. Monahan presented the next steps in the District's plan update process, including refining goals, strategies, and actions; holding meetings with the District's Technical Advisory Committee (TAC) to discuss rule revisions; soliciting additional input from the Board of Managers, CAC, staff, member cities, and others; and, to draft plan chapters.

Manager Crafton said Bloomington made developers set aside a certain amount of land for parks or playgrounds. She said if the District is looking for a balance to decrease the imperviousness to have more infiltration and transpiration, it could make sense to ask that a certain percentage of land be allocated to ecosystem health.

Administrator Jeffery said the District does not have preservation of land authority, but the District could come up with ways to motivate and incentivize property owners and developers to set land aside and then maybe work with cities on things like prairie restoration.

President Pedersen adjourned the workshop at 6:56 p.m.

Respectfully submitted,


Jill Crafton, Secretary