

MEETING MINUTES

Riley-Purgatory-Bluff Creek Watershed District

June 17, 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), Andrew Hartmann (Regulatory Program Coordinator), Terry Jeffery* (District Administrator), Dylan Monahan (Watershed Planner), Louis Smith (Smith Partners), and Scott Sobiech (Barr Engineering)

Other Attendees: Larry Koch*

**Attended the meeting virtually.*

Call to Order

1 President Pederson opened the Wednesday, June 17, 2026, Board of Managers Workshop at
2 5:00 p.m. at the District Office, 18681 Lake Drive East, Chanhassen, Minnesota, and
3 Manager Crafton, Manager Duevel, Manager Nelson, and Manager Stovring were also in
4 attendance.

1. Discussion of Preliminary Budget and Levy

5 Administrator Terry Jeffery displayed the presentation, "Preliminary Budget and Levy for
6 2027 Fiscal Year." He mentioned that the Board's regular meeting schedule has its
7 September meeting falling after the September 15th deadline for submitting the District's
8 budget and levy to the Carver and Hennepin County auditors. Administrator Jeffery
9 explained the Board will either have to take public comment and approve the District's 2027
10 budget and levy in August or set a special meeting.

11 Administrator Jeffery presented a draft preliminary budget and levy for the District's 2027
12 fiscal year. He summarized 2027 District-wide programs and initiatives, including planning
13 and outreach, particularly the completion of the District's 10-Year Plan. He provided a high-
14 level summary of proposed 2027 data collection work and other initiatives such as
15 continuing the wetland assessment program and completing the watershed's risk assessment
16 based on the District's hydraulic and hydrologic model.

17 Administrator Jeffery listed the planned 2027 capital projects for Riley, Purgatory, and
18 Bluff creeks, such as the completion of the Upper Riley Creek Stabilization project,
19 completing the Lake Susan in-lake phosphorous treatment, completing Lake Susan Park
20 Preserve, beginning restoration on the Spring Road Conservation Project site, completing
21 the design of North Lotus Lake Park and starting construction, repairing the Purgatory
22 Creek Recreation Area berm, among other projects. He noted that for Bluff Creek some

23 design work for Upper Bluff Creek will start in late 2027 but work would commence in late
24 2027.

25 Administrator Jeffery announced that draft proposed 2027 budget is \$8,085,215, a 22%
26 increase from 2026, and to keep the District's reserves basically unchanged, the draft
27 proposed 2027 levy is \$5,769,115, which is a 39% increase from 2026. He broke down the
28 budget by category, explaining 55% would be for capital projects, 19% for District-wide
29 programs, 17% for personnel costs, and 9% for overhead costs. Administrator Jeffery said
30 the personnel costs include salaries, benefits, education and professional development, and
31 manager expenses like per diems, travel, education, and other reimbursable costs.

32 President Pedersen asked about the budgeted increase for staff healthcare insurance.
33 Administrator Jeffery responded he budgeted an 11% increase for it.

34 Administrator Jeffery reviewed the line items included in District-wide Programs and
35 Initiatives, noting he anticipates 2026 budget carryover in about half of the lines items,
36 resulting in approximately \$548,600 to be carried over.

37 Manager Crafton asked if staff has secured a PRAP grant. Administrator Jeffery said yes,
38 the District did and the District's required match on the grant is budgeted in "other general
39 expenses."

40 Manager Duevel said he has mentioned in other Board meetings as well that the District
41 needs to look at quarterly one-year forward looking cash flows and look forward one year at
42 any time. He said it would give the staff and the Board greater insights.

43 Administrator Jeffery went through the proposed budgets for the capital projects, saying this
44 part of the budget really contributes a majority of the proposed levy increase for 2027. He
45 said, for example, about \$800,000 needs to be levied for the Upper Riley Creek Stabilization
46 (Reach 3) project. He said regarding the Riley Creek Capital Projects, the proposed budget
47 is an increase of approximately \$550,000 from 2026. Administrator Jeffery said a correction
48 to be made to the amount budgeted for the Riley Creek culvert repair.

49 Administrator Jeffery reviewed the proposed line item budgets for the Purgatory Creek
50 capital projects. He summarized that the proposed increase for this section of projects is
51 approximately \$1.2 million to address North Lotus Lake SW Park. He said he did not factor
52 in partner funds because the budget and levy amounts are what the District needs to have on
53 hand for the projects to outlay the capital.

54 Administrator Jeffery said for Bluff Creek, other than maintaining the restoration of the
55 wetland at Pioneer, he proposes holding off until 2028 so all the projects are not stacked up
56 on top of each other.

57 Administrator Jeffery said the proposed 2027 levy is \$5,769,115, which is a 39% increase
58 from 2026. He said this scenario does not include moving funds from the District's reserves.
59 Administrator Jeffery recommended the 22% operating budget increase for 2027. He said if
60 the District uses some of its reserve funds, the levy increase can be less than 39%. He said
61 the District should maintain at least half of the amount of its budget in reserve. He explained

62 that with the proposed 2027 budget, the District would want approximately \$4.04 million in
63 its reserves.

64 Administrator Jeffery walked through the District's cash on hand and scenarios of paying
65 liabilities and the expenditure of levy funds. He said of the proposed 2027 budget of
66 \$8,085,218, if the Board allocates \$1.47 million from the District's reserves, the District's
67 2027 levy amounts would be reduced to \$4.4 million, and the reserves would have
68 \$4,875,000 remaining. Administrator Jeffery said these figures need to be updated to
69 accommodate the \$400,000 that needs to be added for the Riley Creek culvert project, and
70 the Board could consider borrowing additional funds from the District's reserve funds or the
71 levy could increase further.

72 Manager Stovring said she sees the sense in having at least six months of budget in reserve.
73 Manager Crafton agreed.

74 Manager Duevel commented that if the District had greater knowledge of cash flows, this
75 exercise would be more streamlined.

76 President Pedersen said she does not think \$87,000 is a large enough budget for the Spring
77 Road site. Administrator Jeffery said that budget fits into the estimate for the restoration of
78 the site. She said she is talking about the cost of the initial design. Administrator Jeffery said
79 the 3.1-acre campus is outside the portion of the site involved in the Lessard-Sams grant.

80 Manager Nelson said there are a lot of time sensitive projects slated for 2027, but it seems
81 that the District wants to do everything and too fast. She asked the Board to keep in mind
82 what the taxpayers are experiencing and to consider sustainably growing and maintaining
83 adequate reserves.

84 Manager Stovring said it would be helpful to have a better understanding of what projects
85 are planned for 2028 to have a better understanding of what the District reserves need to be
86 in 2027.

87 President Pedersen brought up the importance of developing a good plan in advance for the
88 District headquarters, so the District does not run into situations in which it restores part of
89 the site, and then that portion of the site ends up needing to be designed differently for the
90 headquarters. Manager Stovring agreed the Board and staff will want to know for the 10-
91 Year Plan what the estimated costs are for the new District headquarters. The managers
92 discussed that the approach for the headquarters project should be the same approach the
93 District takes for capital projects, which is to start with a concept plan instead of sinking
94 funds into the project in incremental chunks.

95 Administrator Jeffery said he will draft a new version of the budget and include a couple of
96 scenarios such as adding a project for the concept design of a new headquarters, maybe a
97 scenario with full architectural design, update the budget as discussed this evening, and a
98 finer resolution on when the District will have pay applications coming due on projects.

99 Manager Stovring said she is not comfortable with a levy increase of more than 4%, so she
100 would like to see a budget proposal that stays within that 4% levy increase. Manager

Crafton said she does not think a 5% increase is unreasonable. President Pedersen agreed. Manager Duevel said that with inflation, a 6% increase could be low come 2027.

Administrator Jeffery summed up what he has heard from the managers regarding the 2027 proposed budget and levy, including keeping the proposed levy increase to 4% - 6%, maintaining at least six months of funds in the District's reserve, adding a budget item for a concept plan for the Spring Road property for the District headquarters, and updating figures and including projected expenditures as possible.

2. Ten-Year Plan Update

Deputy Administrator Forbes displayed the presentation, "10-year Plan Update: Draft Mission, Vision & Goals." She explained the plan is to guide the District from 2027-2037. Ms. Forbes said the plan's update process includes assessing land and water resources, identifying watershed issues, setting goals and strategies for the next ten years, and identifying a process for project inclusion and prioritization.

Ms. Forbes provided a summary of the inputs the District has solicited to-date through the engagement activities already conducted with the Board of Managers, CAC, District staff, the public, member city staff, University of Minnesota staff, the Steering Committee, and the District's Technical Advisory Committee.

Ms. Forbes said the District's mission statement and goals have been reviewed and revisited through engagement activities that have taken place. She said the result is a working spreadsheet of goals, strategies, and actions, with a modified version available on the District's website. Ms. Forbes said, for example, many of the actions captured so far need to be translated into measurable actions to meet the requirements of the Minnesota Board of Water and Soil Resources. She shared the example of the documented goal to restore the ecological health of surface waters and the draft strategies and actions that have been proposed to meet the goal.

Ms. Forbes highlighted next steps in the plan update process, including Board work sessions and a Board retreat, TAC meetings, CAC discussions, staff workshops, meetings with city staff, lake associations, and other entities, refining the goals, strategies, and actions, and drafting the chapters of the plan.

Manager Nelson asked if the spreadsheet captures all of the plan topics the Board and staff have mentioned during Board workshops and meetings over the years. Ms. Forbes said if the managers do not see it on the spreadsheet then those topics are not captured in the plan updated process.

Manager Crafton commented that some of the goals sound more like values. Manager Stovring suggested that the managers come up with suggestions for actionable goals.

Manager Crafton mentioned an exercise the managers could do where the topics are on a white board and sticky notes and they can be moved around and rearranged into buckets.

138 President Pedersen said she thinks the focus needs to be on how to funnel what has been
139 captured into measurable strategies and actions.

140 President Pedersen adjourned the workshop at 6:52 p.m.

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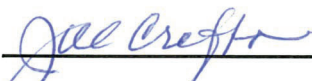
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Respectfully submitted,

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Jill Crafton, Secretary

