
**THE RILEY PURGATORY BLUFF CREEK
 WATERSHED DISTRICT
 ANNUAL REPORT
 FOR YEAR ENDING DECEMBER 31, 2006**

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INTRODUCTION

Pursuant to Minnesota Statutes Section 103D.351 and Minnesota Rules Section 8410.0150, the Board of Managers of the Riley Purgatory Bluff Creek Watershed District submits its 2006 Annual Activity Report. The report includes the District's members, technical and citizen advisors, summaries of the plans, goals, water management projects, and the permit and communication programs of the District. The District distributes its Annual Activity Report to the Minnesota Department of Natural Resources and the Board of Soil and Water Resources as provided by law.

Copies of the report or audit may be obtained from the District's Managers or engineering or legal advisors. The Managers invite comments and suggestions concerning this report.

ACTIVITY REPORT

Appointed Board Members for 2006

In 2006, three new members were appointed to the Board to fill vacancies from expiration of terms and changed circumstances. The Board consists of five members¹.

NAME AND OFFICE	APPOINTING COUNTY	MAILING ADDRESS AND TELEPHONE NUMBER	DATE OF TERM EXPIRATION
Conrad Fiskness Chair*	Carver	8033 Cheyenne Avenue Chanhassen, MN 55317 (952) 934-5581	7/30/2006
Michael Casanova Vice Chair	Hennepin	18559 Kristie Lane Eden Prairie, MN 55346 (952) 937-8372	7/30/2007
Mark Dillon Secretary*	Hennepin	3411 Fairlawn Drive Minnetonka, MN 55345 (952) 476-2709	7/30/2008
Erin Ahola Manager / Acting Secretary	Hennepin	19080 Broadmoore Drive Eden Prairie, MN 55346 (952)934-5449	7/30/2008
Jame Landini Manager	Hennepin	10457 Zylon Road Bloomington, MN 55438	7/30/2008
Howard Peterson Treasurer*	Hennepin	7021 Duck Lake Road Eden Prairie, MN 55346 (952) 934-2050	7/30/2009
Kenneth Wencil Manager	Carver	8412 Great Plains Boulevard Chanhassen, MN 55317 (952) 906-2181	7/30/2009

¹ In 2006, Fiskness and Dillon went off of the Board and Wencil and Landini were appointed. Peterson was reappointed.

Advisory Committee Members
Citizen Advisory Committee Members

NAME AND OFFICE	RESIDENCE	MAILING ADDRESS
Jennifer Olim – Chair*	Resident of Eden Prairie	8834 Danton Way Eden Prairie, MN 55347
William Stets	Resident of Shorewood	19435 McKinley Court Shorewood, MN 55331
John Howe	Resident of Eden Prairie	16380 Valley Road Eden Prairie, MN 55347
Earl Renneke	Resident of LeSueur	Route 2, Box 45 LeSueur, MN 56058
Kenneth Wencil*	Resident of Chanhassen	8412 Great Plains Blvd Chanhassen, MN 55317
Donald F. Atkins	Resident of Carver	14990 County Road 45 Carver, MN 55315
Ruth Eldredge	Resident of Deephaven	3623 Lowell Deephaven, MN 55391
Fritz Rahr	Resident of Bloomington	8301 West 110 th Street Bloomington, MN 55438
Fred Mendez	Resident of Chanhassen	7361 Kurvers Point Rd Chanhassen, MN 55317
Rocky Waldin	Resident of Chanhassen	7100 Utica Lane Chanhassen, MN 55317
Miles Cohen	Resident of Minnetonka	5716 High Park Drive Minnetonka, MN 55345
Jeff Strate	Resident of Eden Prairie	15021 Summerhill Drive Eden Prairie, MN 55317
Elizabeth Diebold	Resident of Excelsior	17605 Susan Drive Minnetonka, MN 55345

*Mr. Wencil was appointed a manager in 2006. Mrs. Olim moved from the District in 2006.

Technical Advisory Committee Members

NAME AND OFFICE	ORGANIZATION	MAILING ADDRESS AND TELEPHONE NUMBER
Alan Gray City Engineer	City of Eden Prairie	8080 Mitchell Road Eden Prairie, MN 55344 (952) 949-8420
Jimmie Gates Deputy Director of Public Works	City of Bloomington	1800 West Old Shakopee Road Bloomington, MN 55431 (952) 948-8730
Lee Gustafson Director of Engineering	City of Minnetonka	14600 Minnetonka Boulevard Minnetonka, MN 55343 (952) 939-8200
William Engelhardt City Engineer	City of Deephaven	1107 Hazeltine Boulevard Suite 480 Chaska, MN 55318 (952) 448-8838
Brad Nielsen City Planner	City of Shorewood	5755 Country Club Road Shorewood, MN 55331 (952) 474-3236
Lori Haak Water Resource Coordinator	City of Chanhassen	690 Coulter Drive P.O. Box 147 Chanhassen, MN 55317 (952) 227-1135

Consultants

The District retains independent contractor consultants who provide all of the necessary engineering, accounting, legal, public information, and administrative services. The District's consultants eliminate the need for employees' attendant salary, space, telephone, pension and insurance costs while meeting statutory and regulatory requirements. The District's independent consultants effectively fulfill its obligations, goals, and objectives within the approved finances and budget. The following consultants served the District in 2006:

NAME	ORGANIZATION	MAILING ADDRESS AND TELEPHONE NUMBER
Robert Obermeyer	Barr Engineering Company Engineering Advisor	4700 West 77 th St. Minneapolis, MN 55435 (952) 832-2600
Dan Cavanaugh	Cavanaugh & Company P.A. Accounting Advisor	1660 South Hwy 100, #500 St. Louis Park, MN 55416
John Hoffman	ICS Agency, Inc. Insurance Agent	4901 West 77 th Street Minneapolis, MN 55435 (952) 835-4848
Paul R. Haik	Krebsbach and Haik, Ltd Legal Advisor	225 South Sixth Street, #4320 Minneapolis, MN 55415 (612) 333-7400
Mark C. Gibbs	HLB Tautges Redpath, Ltd. Auditor	4810 White Bear Parkway White Bear Lake, MN 55110 (651) 426-7000
Andrea Lex*	Lexicon Communications Communication Consultant	15246 65 th Place North Maple Grove, MN 55311 (763) 557-5244

* Mrs. Lex moved from the District and stepped down as a consultant.

Goals and Objectives of Prior Work Plan

Implementation of Water Management Plan

The District has completed the lake use attainability analyses of twelve (12) of its thirteen (13) major lakes. The District has also monitored its creeks for dissolved oxygen, pH, conductance, temperature, and turbidity.

The District has classified and evaluated its waters using methods developed by the Minnesota Pollution Control Agency (MPCA) and the Minnesota Department of Natural Resources (MDNR). Rain storm events are monitored using recommendations of Metropolitan Council which accord with the standards of the MPCA. Having classified and evaluated its waters using state and metro wide methodologies, the District is positioned to participate directly in detailed discussions and planning, in addition to assisting its cities in responding to and complying with anticipated water quality requirements of the various agencies.

The District can assist the cities with their pollution prevention plans by developing TMDLs to prevent waters from becoming listed or improving and delisting ones that impaired. Current litigation of the jurisdictional limits of the TMDL requirements that is currently being litigated in the federal appellate courts should determine the extent to which the TMDL requirements apply to District waters. Under the NPDES permits, municipalities must abate any increases in the flow of phosphorous or suspended sediments to 1988 levels. Current city permits are coming up for renewal.

Goals and Objectives of Projected Work Plan

Use Attainability Analysis

The District has sought to extend its existing plan to complete two established and four petitioned basic water management plans pursuant to its completed use attainability analyses.

Creek Corridors Analysis

The District has completed its corridor analyses of the habitat within the Purgatory Creeks corridor. The analysis consists of a guide plan for the overall creek system and identifies wildlife, vegetation, and characteristics and morphology of the creeks themselves. The District continues to monitor at 17 different sites within the three creek systems: five on Bluff Creek; four on Riley; and eight on Purgatory. The District operates Watershed Outlet Monitoring Stations (WOMP), three on Purgatory Creek, one on Bluff and one station on Riley Creek, for more comprehensive storm event monitoring. The stations on Bluff and Riley Creeks are owned by the Metropolitan Council.

Basic Water Management Projects

Lake Riley and Rice Marsh Lake

In December of 2002 the cities of Eden Prairie and Chanhassen filed coordinated petitions with the District for the Lake Riley Rice Marsh Lake Basic Water Management Project. The District established the petitioned project on December 20, 2004, based in part upon its use attainability analysis study of the lake that was prepared by the District's Engineer. The project was designed to remedy water quality impacts from municipal sewage treatments discharges in the early 1970's, protect against degradation from the proposed construction of T.H. 212 between the lakes, and increased urbanization within the watershed.

In 2006, the District published notice, awarded bids in June, and commenced construction of the project. The first phase was completed in early 2007.

Staring Lake/Purgatory Creek Recreation Area

In 2006, the District continued its phased work on the Staring Lake Outlet/Purgatory Creek Recreation Area project in Eden Prairie which is a multi-purpose water storage, water quality, and management project to treat urban surface water runoff and provide water quantity control for discharges into the Purgatory Creek Valley.

Phase V will involve the construction of a trail from Staring Lake Park to Creek Knoll and a permanent outlet structure for the lake to control its elevation. The District sought and received the approval of the MDOT for the alignment and construction of trail below highway 212.

The District also undertook work to repair a section of the trail constructed in Phase III that was damaged by heavy rains and an embankment failure.

Bluff Creek

The City of Chanhassen petitioned for the Bluff Creek Corridor Basic Water Management Project in 1997 and the engineering feasibility report was completed in 1999. The petitioned project proposed comprehensive corridor management as urbanization of the area continues. The District acquired a critical parcel of undeveloped property in the downstream reach of the creek in order to help protect and preserve the creek corridor. The District and the City's staff are in the process of finalizing the engineer's report and deciding whether to proceed with the project. Pursuant to the petition, the City is responsible for costs incurred if the project is not constructed.

Round Lake

The City of Eden Prairie petitioned the District for the Round Lake Basic Water Management Project. The project will involve the construction of a new storm water basin and the upgrade of three existing ones, which drain to the lake. The upgraded basins are expected to reduce the phosphorous loading to the lake by approximately 13 to 17 percent. The new basin is expected to further reduce loading by approximately 5 to 8 percent. The project is expected to reduce the total phosphorous loading by 18 to 25 percent, thereby reducing the number of days the water quality exceeds the District's standard for recreational swimming.

The Board of Managers has accepted the engineer's report and distributed it to MDNR and BWSR for review and comment. Public hearing are required and construction on the project could begin in the fall of 2007.

Summary of Permits, Variances and Enforcement

The District coordinates its permit and project construction reviews with the engineering and planning staffs of the municipalities. In 2006, the District issued a total of 43 permits that included 10 extensions, and 1 Minnesota Department of Natural Resources permit, pursuant to the District's general permitting authority. The permitted activities were located through the municipalities of the District as follows: 21 in Chanhassen, 14 in Eden Prairie, 4 in Minnetonka, and 4 in Bloomington. Of the total permits issued three (3) required property covenants, six (6) well abandonment certifications, and two (2) proposed wetland impacts governed by the 1991 Wetland Conservation Act. Permit fees cover the costs of field inspections.

The traditional and primary role of the State over management of water quality is eroding due to expansion of Clean Water Act regulation. Issuance of recent Clean Water Act permits under

the National Pollutant Discharge Elimination program, particularly MS4 and construction permits for an areas of an acre or more, may preempt or conflict with municipal, county and watershed rules thereby superseding those local permit controls.

Summary of Water Quantity and Quality Monitoring Data

In addition to use attainability analysis of lakes, the District has incorporated storm event monitoring by the Minnesota Pollution Control Agency and the Metropolitan Council into its data collection efforts. The District has incorporated 3 WOMP (Watershed Outlet Monitoring Stations) stations throughout the District, in addition to the Metropolitan Environmental Services Station on Riley Creek. The stations were installed in 2002/2004 and the District began sampling in the spring of 2004 to monitor the impacts of storm-water by monitoring water chemistry, which is important and affects the biological integrity of the water resources. Biological integrity is a critical component that reflects the condition of aquatic communities inhabiting natural and unimpaired water bodies or habitats. With this data, the District can better manage to protect and preserve aquatic communities, swimming, fishing, wildlife and aesthetic uses.

The Annual Report of the Chief Engineer reports and summarizes water quantity and quality monitoring data collected by the District. This report is in addition to the previously mentioned attainable use analyses. This report is incorporated by reference.

Local Plan Adoption and Implementation

The District approved the local water management plan of the City of Eden Prairie.

Annual Written Communication

For its annual communications, the District published articles in community newspapers. The District also participated in several municipal environmental fairs at which the District explained its work and function.

Solicitation of Interest Proposals

In 2006 the District solicited professional services by publication in local news papers. Pursuant to statute the District is required to solicit for services at least every two years.

Reporting of Revenues and Expenditures

An audit report prepared by a certified public accounting firm is incorporated by reference. The audit includes a balance sheet, a classification of revenues and expenditures, an analysis of changes in final balances, and contains all additional statements considered necessary for full financial disclosure. The audit firm specializes in Auditing Watershed Boards.

FINANCIAL AND AUDIT REPORT

Budget Adopted for 2007

Attached and incorporated by reference is the District's proposed budget that was adopted for upcoming year ending December 31, 2007.

CONCLUSION

The District is committed to completing two established basic water management projects and reviewing the petitions for two more, all of which will improve and protect the water quality of the District. Such projects are an important step in assuring the District's waters comply with the requirements of the mandates of the Minnesota Pollution Control Agency, pursuant to the Federal Clean Water Act, and assisting cities in their water pollution prevention plans.

Respectfully submitted,

RILEY-PURGATORY-BLUFF CREEK
WATERSHED DISTRICT

By Michael Casanova (LH)
Michael Casanova
President

General Fund	2007
Receipts	
Hennepin County	\$ 212,500
Carver County	\$ 37,500
Field Inspection Fees	\$ 25,000
Insurance Levy	\$ 19,500
Other	\$ -
Interest	\$ -
Total Revenue	\$ 294,500
Expenditures	
Accounting Services and Audit	\$ 20,500
Dues	\$ 2,000
Engineering Services	\$ 101,000
Insurance and Bonds	\$ 19,500
Administrative (Legal) Services	\$ 114,000
Manager Expenses	\$ 17,500
Reserve	\$ 11,500
Total Expenditures	\$ 286,000
Excess of Revenue over(under) Expenditures	\$ 8,500
Fund Balance Beginning	\$ -
Fund Balance Ending	\$ 8,500