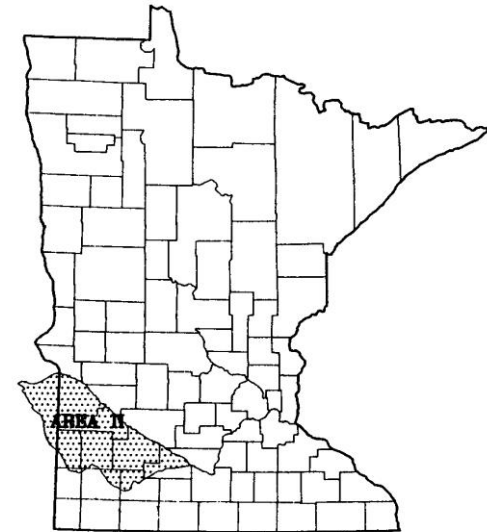


BIENNIAL PLAN – FY2024 & 2025

JULY 1, 2023 – JUNE 30, 2025



Springdale 19 Grade Stabilization (Lyon County)



Member Counties

*Brown • Cottonwood • Lac qui Parle
Lincoln • Lyon • Murray • Pipestone
Redwood • Yellow Medicine*

AREA II MINNESOTA RIVER BASIN PROJECTS

1424 EAST COLLEGE DRIVE - SUITE 300 - MARSHALL, MN 56258

WWW.AREA2.ORG



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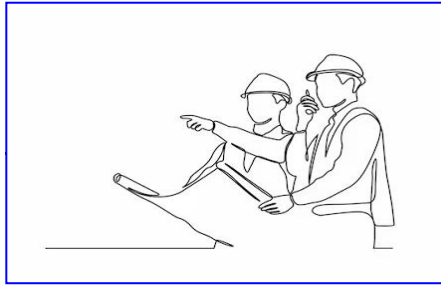
FY 2023 TECHNICAL OFFICE BUDGET - PAGE 9

ATTACHMENTS:

A – FY 2023 COMPLETED PROJECTS

B – FY 2023 ADMINISTRATIVE GRANT SUMMARY

C – FY 2022 ADMINISTRATIVE GRANT SUMMARY



2023 BOARD OF DIRECTORS

BIENNIAL PLAN – FY2024 & 2025

BROWN COUNTY

JEFF VEERKAMP

BRIAN BRAUN (ALTERNATE)

MURRAY COUNTY

LORI GUNNINK

MOLLY MALONE (ALTERNATE)

COTTONWOOD COUNTY

LARRY ANDERSON – CHAIR

KEVIN STEVENS (ALTERNATE)

PIPESTONE COUNTY

LUKE JOHNSON

DALLAS ROSKAMP (ALTERNATE)

LAC QUI PARLE COUNTY

JOHN MAATZ

STACY TUFTO (ALTERNATE)

REDWOOD COUNTY

RICK WAKEFIELD

DENNIS GROEBNER (ALTERNATE)

LINCOLN COUNTY

JOE DRIETZ

COREY SIK (ALTERNATE)

YELLOW MEDICINE COUNTY

GLEN KACK – VICE CHAIR

RON ANTONY (ALTERNATE)

LYON COUNTY

GARY CROWLEY – SECRETARY/TREASURER

TOM ANDRIES (ALTERNATE)



WORK PLAN NARRATIVE

BIENNIAL PLAN – FY2024 & 2025

Area II, formed in 1978 as a non-profit organization, works to alleviate the recurrent flood problems which plague this area of southwestern Minnesota. This organization is recognized as a leader in flood damage reduction by the installation of dams, reservoirs, grade stabilizations and road retentions. Area II assists member counties with the engineering design, hydrologic and hydraulic modeling, construction and inspection, and finance of flood damage reduction projects. Due to the unique landforms of this region, particularly the Coteau de Prairies (the Buffalo Ridge), Area II receives a 75/25 cost-share rate for office administration and project implementation. Oversight of this grant-in-aid program is provided by the Minnesota Board of Water and Soil Resources.

This Biennial Plan provides direction for a two-year period while the Technical Office Budget serves one fiscal year. By June 30, 2024, updates to the Biennial Plan and the Technical Office Budget for FY 2025 will be provided for BWSR staff review.

1) Initiative: FY 2024 – ADMINISTRATIVE SERVICES

Description: Provide administrative and coordination oversight for the Area II Board of Directors. Provide financial reports and records that meet State accounting and auditing standards, prepare budgets, provide supervision and management of staff, evaluate employee performance, draft agenda and minutes of monthly board meetings. Conduct local government and citizen outreach and education.

Actions:

- Maintain a complete Board of Directors of nine (9) delegates and nine (9) alternates; conduct monthly board meetings.
- Maintain adequate staffing to address the goals of Area II. Evaluate job performance of all employees yearly.
- Utilize engineering consultant services to assist with engineering, hydrologic and project planning and prioritization.
- Maintain policies and procedures. Review and update Operating Policies, Joint Powers Agreement and Bylaws annually.
- Maintain a public outreach and information program. Accomplish by maintaining the Area II website; conduct tours as necessary to highlight projects completed; prepare an annual report. Complete website reporting requirements by March 15 of each year.
- Provide fiscal accountability by preparing and adopting an annual budget; reviewing monthly financial reports, and annually obtaining a professional audit of the financial records.
- Provide administrative services to the Redwood-Cottonwood Rivers Control Area (RCRCA) via an approved Contract for Services Agreement. Each organization maintains its organizational purpose and goals while sharing an executive director and office space. Continue operational efficiency measures with RCRCA. Ensure that office operations, income and expenditures for each organization are clearly separate and documented including time tracking, monthly billing of contract services, and Board approval.
- Meet and communicate with member county commissioners, engineers, water planners, watershed districts, SWCD, NRCS, watershed project staff regarding technical services and potential projects.
- Serve on technical committees (as requested) for watershed projects, TMDL project assessment and implementation efforts.

2) Initiative: FY 2024 – ENGINEERING SERVICES

Description: Employ a senior engineering technician and a registered consultant engineer to provide design services which include planning, hydrologic and hydraulic design, construction, and inspection of floodwater retention projects to the member counties. Provide engineering services for projects funded through outside sources involving USDA Environmental Quality Incentive Program (EQIP), Clean Water Funds, Disaster Relief Funds and other state funding acquired by SWCDs, RCRCAs and counties.

Actions:

- Continue contracting professional engineering services through Bolton & Menk, Inc.
- Schedule and complete annual operation and maintenance inspections and reports for nine (9) existing reservoirs.
- Ensure annual inspection of road retention projects by owners and keep inspection reports on file. Follow up on noted concerns.
- Provide wetland monitoring and annual reporting for mitigation sites associated with constructed project.
- Provide project management and coordination with local/state/federal permitting authorities.
- Coordinate with local/state/federal agencies for early project review and coordination regarding wetland impacts.
- Process payment requests in a timely manner and provide as-built plans and construction documentation.
- Assist in securing the local matching funds for projects from eligible partners and sources.

3) Initiative: FY 2024 – OPERATIONAL & SUPPORT EXPENSES

Description: Utilize funding for operational and support expenses of Area II Minnesota River Basin Projects for payroll, consultant engineering fees, field and office supplies, telephone / internet and computer services, training and certification, vehicle and equipment expenses, liability / business / auto insurance, and general business expenses.

4) Initiative: FY 2024 – PROJECT IMPLEMENTATION VIA ADMINISTRATIVE GRANT

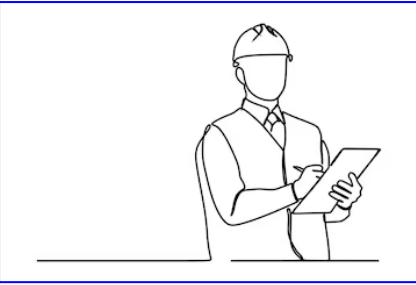
Description: See Potential Project List for FY 2024 & FY 2025 – Page 7 of this document.

5) Initiative: BONDING APPROPRIATIONS (if applicable)

Description: Provide project management and engineering services to construct flood damage reduction structures to meet the 3:1 match requirement and provide the most floodwater storage as practicable.

Actions:

- Administer the appropriation and report project outcomes in eLINK and to the BWSR Board annually.
- Process cost-share contracts with landowners with approval by the Area II Minnesota River Basin Projects Board of Directors.
- Complete fiscal expenditure report due at end of grant period listing total costs and cost-sharing by all partners.
- Facilitate wetland mitigation if required for proposed projects.
- Provide project management and coordination with local/state/federal permitting authorities.
- Process payment requests in a timely manner and provide as-built Plans and construction documentation.
- Assist in securing the local matching funds for projects from eligible partners and sources.



OTHER ENDEAVORS

BIENNIAL PLAN – FY2024 & 2025

● WATER QUALITY & STORAGE GRANT APPLICATIONS

Area II submitted two projects for consideration in May 2023: Alta Vista 27 Road Retention (Lincoln County) and the Redwood Falls 8/9 Grade Stabilization in conjunction with Redwood Falls 8/14 WSCBs (Redwood County). If successfully funded, Area II will provide grant, project and construction management for the applications.

● WATER QUALITY & STORAGE PILOT PROGRAM (*Custer 10 Grade Stabilization – Lyon County*)

Area II was successfully awarded \$94,723.84 for the Custer 10 Grade Stabilization in Lyon County. The project will provide 30.4 acre-feet of storage for the 100-year storm, reducing flows 45.8% (181 cfs). This project will reduce sediment by 213 tons/year as the confluence with the Cottonwood River is approximately ¼ mile downstream. Due to the unavailability of concrete pipe in 2022, the project will be constructed in 2023. Area II provides grant, project, and construction management.

● ENGINEERING FOR PLUM AND PELL CREEK CLEAN WATER FUND GRANTS

Significant federal and state funds have been received by these two subwatersheds within the Cottonwood River Watershed. Several projects involve floodwater storage in addition to water quality benefits which has involved Area II's services for surveying, engineering, and construction management.

● ONE WATERSHED, ONE PLAN

Cottonwood-Middle Minnesota

Area II is a MOA partner with this newly-funded planning effort which began in Spring 2023.

Yellow Medicine

The Yellow Medicine River watershed was one of the five pilot projects offering a plan with a regional approach. This was desirable as many commonalities of the five Area II major watersheds exist due to the Buffalo Ridge. Although these watersheds have unique issues of their own, topography and flooding bind these southwestern watersheds together.

As the Plan implementation moves forward, Area II has been challenged with a key role in the **Priority Concern: Mitigate Altered Hydrology and Minimize Flooding**. One of the measurable goals is to “Add 1,000 acre-feet of new stormwater storage” by means of capital improvement projects. Although 1,000 acre-feet is achievable in the 10-year period, a more restrictive calculation was added to this goal whereby the overall drawdown time must be greater than 48 hours for 10-year summer rainfall event. This restriction has created a severe obstacle as the steep topography of this area most often does not allow for lengthy drawdown times as compared to projects located in the Red River Valley.

Lac qui Parle-Yellow Bank

The Lac qui Parle-Yellow Bank Plan was approved in March 2024 and is entering the implementation phase. Area II will have a similar role as with the Yellow Medicine 1W1P to assist with providing floodwater retention.

Redwood

Area II has expressed their support via resolution for the planning effort and application for plan funding. Planning is anticipated to begin in early 2024.

- **LCCMR (*Building Resiliency to Extreme Precipitation in Minnesota, \$192,000*)**

This project was funded by LCCMR in 2023 which analyses the Cottonwood River Watershed as a ‘climatic phenomenon’ for the amount of extreme precipitation events. Jason Ulrich from the St. Croix Research Station is leading this effort with assistance from many partners throughout the watershed. The timeline of this project overlays nicely with the Cottonwood-Middle Minnesota 1W1P with findings of both efforts being shared mutually. Public infrastructure within the City of Springfield has been devastated by recurrent flood events, and the research findings will hopefully identify how proactive efforts can benefit the City of Springfield once the resiliency of the watershed is more fully understood.

- **LEGISLATIVE FUNDING REQUESTS**

Requests to the 2023 Legislature were made for an increase to the biennial appropriation to Area II (\$190,000 per year), and for \$1,500,000 of Capital Investment funds for floodwater retention.

The administrative appropriation was included in the omnibus environmental bills at differing amounts and was resolved in conference committee at \$190,000 per year for FY24-25. Funding for FY26-27 would fall back to \$140,000 per year.

As for the bonding request, Area II was included in the cash portion of the bonding bill (hf 670) for the full \$1.5 million. No bonding funds have been received since the FY2019 appropriation which justified the increased amount.



POTENTIAL PROJECTS

BIENNIAL PLAN – FY2024 & 2025

KEY: *FY 2024 Construction Planned*

BROWN COUNTY

- Leavenworth 11 Grade Stabilization
- Stately 5 Grade Stabilization
- Stately 29 Grade Stabilization Repair

COTTONWOOD COUNTY

- Ann 17 Grade Stabilization
- Storden 10 Grade Stabilization Repairs (3)

LAC QUI PARLE COUNTY

- Lac qui Parle River Diversion Restoration

LINCOLN COUNTY

- Alta Vista 18 Grade Stabilization Repair
- Lake Shaokatan Outlet Restoration
- Marble 23 Grade Stabilization

LYON COUNTY

- Amiret 6 Grade Stabilization
- *Custer 10 Grade Stabilization*
- Island Lake 27 Grade Stabilization
- Lynd 2 Grade Stabilization
- Lynd 31 Road Retention
- *Nordland 6 Dam Restoration*
- Nordland 18 Grade Stabilization
- Nordland 28 Grade Stabilization Repair
- Sodus 24 Grade Stabilization

MURRAY COUNTY

- Dovray 16 Grade Stabilization
- *Holly 10 Grade Stabilization*
- *Holly 21 Grade Stabilization, Restoration, WSCB*

- Milford 12 Grade Stabilization Repair
- Stately 9 Grade Stabilization

- *Storden 2 Grade Stabilization*

- *Alta Vista 27 Road Retention*
- Marble 11 Wetland Restoration

- Amiret 28 Grade Stabilization
- Island Lake 6 Grade Stabilization Repair
- Lake Marshall 28 Grade Stabilization Repair
- Lynd 28 Grade Stabilization Repair
- Monroe 30 Grade Stabilization
- Nordland 8 Dam Restoration
- Nordland 23 Grade Stabilization
- Sodus 22 Grade Stabilization
- Stanley 19 Grade Stabilization

- Holly 4 Grade Stabilization
- *Holly 11 Grade Stabilization*
- Holly 22 Road Retention

POTENTIAL PROJECTS

CONTINUED

REDWOOD COUNTY

- Delhi 24 Dam Restoration
- Lamberton 26 Grade Stabilization
- North Hero 34 Road Retention
- Sherman 6 Streambank Stabilization
- Springdale 26 Grade Stabilization
- Swede's Forest 19 Dam Restoration
- Lamberton 22 Grade Stabilization
- North Hero 31 Grade Stabilization Repair
- ***Redwood Falls 8/9 Grade Stabilization***
- North Hero 26 Restoration
- ***Springdale 24 Grade Stabilization***
- Swede's Forest 27 Dam Restoration

YELLOW MEDICINE COUNTY

- Fortier 8 Grade Stabilization Repair
- Norman 7 Grade Stabilization Repair
- Florida 15 Grade Stabilization Repair
- Norman 10 Grade Stabilization





FY 2024 TECHNICAL OFFICE BUDGET

BIENNIAL PLAN – FY2024 & 2025

OFFICE OPERATIONS

PERSONNEL SERVICES:

Directors' Compensation.....	\$ 600.00
Directors' FICA.....	45.90
Employees' Salaries.....	158,048.22
Employees' FICA.....	11,101.16
Employees' Medical Insurance.....	36,150.00
Employees' Retirement.....	11,853.62
Employees' FlexPlan.....	66.00
Total Personnel Services.....	\$ 217,864.90

SUPPLIES:

Office & Field.....	\$ 1,750.00
Investigation & Testing	30,000.00
Capital Outlay.....	25,000.00
Total Supplies.....	\$ 56,750.00

OTHER SERVICES AND COSTS:

Directors' Expenses.....	\$ 500.00
Employees' Expenses.....	1,000.00
Contract Services.....	16,000.00
Professional Services.....	65,000.00
Permit Expense.....	300.00
Telephone.....	600.00
Postage.....	350.00
Vehicle Expense.....	3,500.00
Rent.....	10,044.00
Insurance.....	5,900.00
Website Expenses.....	150.00
Maintenance & Repairs.....	4,250.00
Miscellaneous Expenses.....	2,000.00
Total Other Services and Costs.....	\$ 109,594.00

TOTAL OFFICE OPERATIONS.....	\$ 384,208.90
Total Ineligible for Cost-Share by the State.....	<u>1,145.90*</u>
Total Eligible for Cost-Share by the State.....	\$ 383,063.00

** These items not cost-shared by the State*

STATE SHARE OF ELIGIBLE OFFICE COSTS.....	\$ 190,000.00
Local Share of Eligible Office Costs.....	\$ 92,000.00
Income from Other Sources & Grants.....	<u>\$ 188,566.02</u>
Anticipated Income.....	\$ 470,566.02

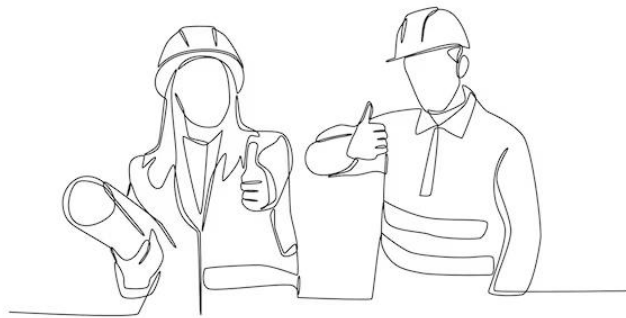
ATTACHMENTS

BIENNIAL PLAN – FY2024 & 2025

ATTACHMENT A – FY2023 COMPLETED PROJECTS

ATTACHMENT B – FY2023 ADMINISTRATIVE GRANT SUMMARY

ATTACHMENT C – FY2022 ADMINISTRATIVE GRANT SUMMARY



ATTACHMENT A

FY2023 COMPLETED PROJECTS

Amiret 28 Water Diversion - Lyon	<u>\$ 27,359.91</u>
Lyon SWCD Cons. Delivery Funds	\$ 17,200.43
Landowner	\$ 3,233.48
Amiret Township	\$ 2,500.00
Area II Counties (engineering)	\$ 1,106.50
Lyon SWCD	\$ 3,319.50

Amiret 31 Streambank Stabilization - Lyon	<u>\$ 17,879.85</u>
Landowner	\$ 17,623.00
Area II Counties (engineering)	\$ 256.75

Lake Benton Outlet Restoration – Lincoln	<u>\$ 73,589.15</u>
Lincoln County	\$ 72,398.40
Area II Counties (engineering)	\$ 1,190.75



Holly 9 Dam Repair - Murray	<u>\$ 20,462.20</u>
Plum Creek Clean Water Funds	\$ 2,773.08
Plum Creek 319 Federal Funds	\$ 11,092.32
Landowner	\$ 4,621.80
<i>Area II provided professional engineering reimbursed by Clean Water Funds.</i>	

Fortier 24 Repair – Yellow Medicine	<u>\$ 50,629.56</u>
Del Clark Lake Clean Water Funds	\$ 45,882.55
LQP-YB Watershed District	\$ 2,747.01
Landowner	\$ 2,000.00
<i>Area II provided professional engineering reimbursed by Clean Water Funds.</i>	

FY2023 COMPLETED PROJECTS	
Clean Water Funds	\$ 48,655.63
319 Federal Funds	\$ 11,092.32
Townships	\$ 2,500.00
Watershed Districts	\$ 2,747.01
SWCD Funds	\$ 20,519.93
County Funds	\$ 72,398.40
Area II Counties	\$ 2,554.00
Landowners	\$ 27,478.38
TOTAL	<u>\$ 187,945.67</u>

ATTACHMENT B

AREA II MINNESOTA RIVER BASIN PROJECTS

AREA II MINNESOTA RIVER BASIN PROJECTS

GRANT PERIOD:
From: August 3, 2022
To: June 30, 2023

**AREA II STATUTORY
AUTHORITY:**
MN Statutes, Sections
103F.171 - 103F.187

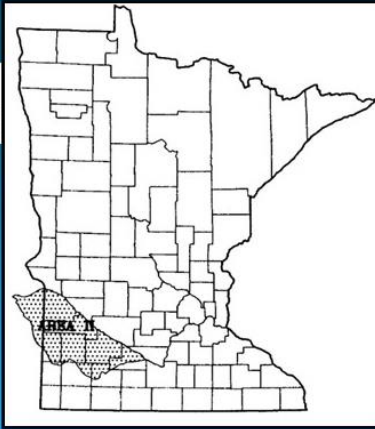
Administrative Services Grant Expenditures

*NOTE: Totals from
Area II Profit & Loss Statement
for the 10-month period of
Aug. 3, 2022 – May 31, 2023*

Personnel Services	\$ 170,439.03
Other Services	\$ 31,902.13
Prof. Services	\$ 54,934.75
Supplies	\$ 698.77
Investigation & Testing	\$ 49,113.00
Business Insurance	\$ 5,936.00
Project Expenses	\$ 18,190.88
TOTAL FY23 EXPENDITURE (to date)	\$ 331,214.56

PROJECT CONTACT:
Kerry Netzke, Executive Director
(507) 537-6369
kerry.netzke@area2.org

Project Title: FY'23 ADMINISTRATIVE SERVICES GRANT
CONTRACT NO. P23-1141 \$140,000.00



Area II Minnesota River Basin Projects Watershed Boundary

Member Counties:

- Brown*
- Cottonwood*
- Lac qui Parle*
- Lincoln*
- Lyon*
- Murray*
- Pipestone*
- Redwood*
- Yellow Medicine*

Overall Project Description

Minnesota Statutes establish a grant-in-aid program administered by BWSR for providing financial and technical assistance to local government units (counties, SWCDS, and watershed districts) located in Area II for project and construction costs of floodwater retarding and retention structures within a general plan for floodplain management.

Nine counties within Area II have entered into a Joint Powers Agreement since 1978 to coordinate the implementation of such floodwater retarding and retention projects, and for this purpose, established Area II Minnesota River Basin Projects.

Statute authorizes BWSR to supervise the program and provide individual project grants not to exceed 75% of total project costs where federal funds are not utilized, or 50% of the nonfederal costs where federal funds are utilized.

Area II has an established office which houses Area II personnel and equipment to provide the engineering and other technical services of projects cost-shared through this program.

Costs eligible for cost-sharing under this Grant Agreement include technical office administration costs, but do not include the compensation, expenses, or insurance costs for the Area II Board of Directors.

The combination of the nine member counties provide \$92,000.00 to the Administrative Services Grant of \$140,000.00. This far exceeds the required 25% local match of \$46,666.67.

ATTACHMENT C

AREA II MINNESOTA RIVER BASIN PROJECTS

AREA II MINNESOTA RIVER BASIN PROJECTS

GRANT PERIOD:
From: July 1, 2021
To: June 30, 2022

**AREA II STATUTORY
AUTHORITY:**
MN Statutes, Sections
103F.171 - 103F.187

Administrative Services Grant Expenditures

*NOTE: Totals from
Audited Financial Statements
for FY2022
July 1, 2021 – June 30, 2022*

Personnel Services	\$ 205,585
Other Services	\$ 39,518
Prof. Services	\$ 54,160
Supplies	\$ 879
Investigation & Testing	\$ 0
Prop. Insurance	\$ 4,701
Capitol Outlay	\$ 62,291 <i>(Right-to-use Lease Asset)</i>
TOTAL FY22 EXPENDITURE	\$ 367,134

PROJECT CONTACT:
Kerry Netzke, Executive Director
(507) 537-6369
kerry.netzke@area2.org

Project Title: FY'22 ADMINISTRATIVE SERVICES GRANT
CONTRACT NO. P22-5880 \$140,000.00



Area II Minnesota River Basin Projects Watershed Boundary

Member Counties:

- Brown*
- Cottonwood*
- Lac qui Parle*
- Lincoln*
- Lyon*
- Murray*
- Pipestone*
- Redwood*
- Yellow Medicine*

Overall Project Description

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