

BIENNIAL PLAN – FY2024 & 2025

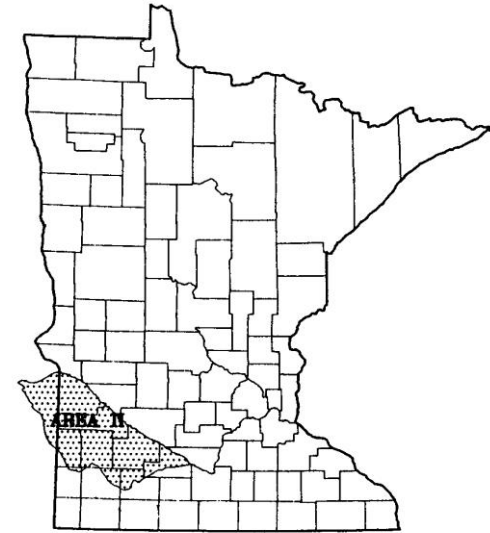
JULY 1, 2023 – JUNE 30, 2025

FISCAL 2025 UPDATE – JUNE 2024

(Changes/Additions highlighted in RED)



Custer 10 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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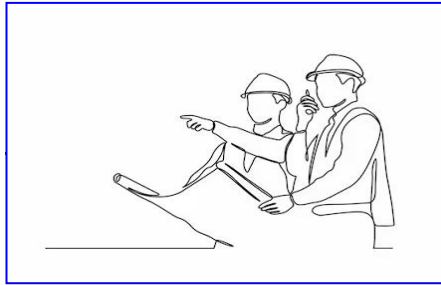
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ATTACHMENTS:

A – FY 2024 COMPLETED PROJECTS

B – FY 2023 ADMINISTRATIVE GRANT SUMMARY

C – FY 2024 ADMINISTRATIVE GRANT SUMMARY



2024 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 – CHAIRMAN

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 CHAIRMAN

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 2025 – 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 2025 – 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 2025 – 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 2025 – PROJECT IMPLEMENTATION VIA ADMINISTRATIVE GRANT

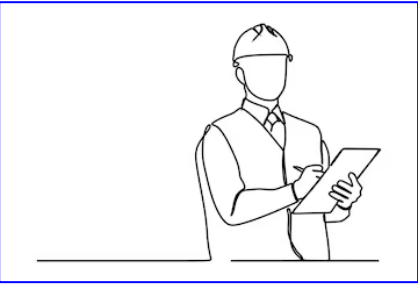
Description: See Potential Project List for FY 2024 & FY 2025 – Page 7 of this document.

5) Initiative: BONDING OR GENERAL FUND CONSTRUCTION GRANT 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 – May 2024

With the cost share policy changing to 90% grant funds, this was a game changer for many of the township governments that Area II works with. Five projects were submitted: North Hero 34 Road Retention (Redwood), Redwood Falls 5/8/9 Grade Stabilizations (Redwood), Lynd 31 Road Retention (Lyon), Holly 22 Road Retention (Murray), and Ann 17 Grade Stabilization (Cottonwood). The applications ranked 4,5,6,7 and 9 with the North Hero 34 Road Retention and Holly 22 Road Retention being funded with \$867,550 and \$555,770 respectively.

● WATER QUALITY & STORAGE GRANT APPLICATIONS – May 2023

Area II submitted two projects for consideration and were successfully funded.

Alta Vista 27 Road Retention (Lincoln County) Soil borings and geotechnical report have recently been completed. The design will now be finalized and permit applications made to DNR and Army Corps of Engineers. A wetland delineation will be arranged with any replacement provided by BWSR Local Government Road Wetland Replacement Program. Fall 2024 Construction is anticipated.

Redwood Falls 8/9 Terraces & Grade Stabilization (Redwood County)

The grade stabilization was finished in October 2023. A 50-year storm event — 5.72" rain — peak flows will be reduced by 59%, to 58 cfs and temporarily holding 7.2 acre-feet of water. Grant funds covered 75% of the cost; the landowner and Area II provided 25% local match.

The terraces were finished in December 2023. Southwest Prairie Technical Service Area provided engineering; Redwood SWCD staff inspected the work. Grant dollars plus NRCS EQIP funds covered 75% of the cost. Due to the tremendous sediment reductions being kept out of the recently dredged Lake Redwood (2,105 tons/year), the City of Redwood Falls covered 15% of the required 25% match for the projects, reducing the landowners' contributions to 10%.

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

Area II was 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 about ¼ mile downstream. **The project was constructed in 2023. Area II provided 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 have 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. **Formal 60-Day Review of the Plan is slated for July & August 2024 with anticipated BWSR plan approval by December 2024.**

Yellow Medicine

The Yellow Medicine River watershed was one of the five pilot 1W1P projects. **Many of the following 1W1Ps within Area II's boundary have many commonalities as the YM 1W1P due to the Buffalo Ridge. Although these neighboring watersheds have unique issues of their own, topography and flooding bind these southwestern watersheds together.**

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 is a MOA partner with this newly funded planning effort which began in Spring 2024.

● LEGISLATIVE FUNDING REQUESTS

The 2023 Legislature granted the increase to the biennial appropriation to Area II (\$190,000 per year). Bill language included that funding for FY26-27 would fall back to \$140,000 per year. Area II's legislators will need to submit language in 2026 for the \$190,000 funding to remain at that level.

Area II's request for \$1,500,000 of Capital Investment funds for floodwater retention was appropriated as a General Fund Construction Grant. This funding source requires individual grant agreements for each project which is very different from the bonding funds process. Due to the uncertain agreement procedure to be followed, usage of the funds has been delayed and is now beginning.



POTENTIAL PROJECTS

BIENNIAL PLAN – FY2024 & 2025

KEY: *FY 2024 Construction Planned*

BROWN COUNTY

- Leavenworth 11 Grade Stabilization
- Stately 9 Grade Stabilization

COTTONWOOD COUNTY

- **Ann 17 Grade Stabilization** (WQ&S grant applied)
- *Storden 2 Road Retention Modification – Completed 2023*

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
- Amiret 28 Grade Stabilization
- Custer 9 Grade Stabilization
- Custer 11 Dam Restoration
- Island Lake 9 Grade Stabilization Repair
- *Lake Marshall 28 Grade Stabilization Repair– Completed 2023*
- Lynd 2 Grade Stabilization
- **Lynd 31 Road Retention** (WQ&S grant applied)
- *Nordland 6 Dam Restoration – Completed 2023*
- Nordland 18 Grade Stabilization
- Nordland 23 Grade Stabilization
- Rock Lake 2 Grade Stabilization
- Sodus 22 Grade Stabilization
- Stanley 19 Grade Stabilization

- Milford 12 Grade Stabilization Repair
- Stately 29 Grade Stabilization Repair

- Germantown 8 Streambank Stabilization
- *Storden 10 Grade Stabilization Repair*

- *Alta Vista 27 Road Retention (WQ&S grant received)*
- Marble 11 Wetland Restoration

- Amiret 20 Dam Restoration
- Amiret 36 Streambank Stabilization
- *Custer 10 Grade Stabilization – Completed 2023*
- Island Lake 6 Grade Stabilization Repair
- *Island Lake 27 Grade Stabilization Repair*

- Lynd 28 Grade Stabilization Repair
- Monroe 30 Grade Stabilization
- Nordland 8 Dam Restoration
- Nordland 20 Dam/Wetland Restoration
- Nordland 28 Grade Stabilization Repair
- Sodus 9 Grade Stabilization/WSCBs
- Sodus 24 Grade Stabilization

POTENTIAL PROJECTS

CONTINUED

MURRAY COUNTY

- Dovray 16 Grade Stabilization
- **Holly 10 Grade Stabilization** *in permitting*
- **Holly 21 Grade Stab/Restoration** - *Completed 2023*
- Holly 4 Grade Stabilization
- **Holly 11 Grade Stabilization** – *Completed 2023*
- **Holly 22 Road Retention** *(WQ&S grant award)*

REDWOOD COUNTY

- Delhi 24 Dam Restoration
- Lamberton 26 Grade Stabilization
- Johnsonville 34 Dam Restoration
- **North Hero 10 Grade Stabilization/WSCBs** – *Completed*
- **North Hero 34 Road Retention** *(WQ&S grant award)*
- **Redwood Falls 5/8/9 Grade Stabs** *(WQ&S grant applied)*
- Sherman 6 Streambank Stabilization
- Springdale 26 Grade Stabilization
- Swede's Forest 18 Dam Restoration
- Swede's Forest 27 Dam Restoration
- Lamberton 22 Grade Stabilization
- Johnsonville 29 Dam Restoration
- North Hero 5 Streambank Stabilization
- North Hero 31 Grade Stabilization Repair
- **Redwood Falls 8/9 Terraces & Grade Stab** – *Completed 2023*
- North Hero 26 Restoration
- **Springdale 24 Grade Stabilization** – *in permitting*
- Swede's Forest 19 Dam Restoration
- Upper Paxton 30 Grade Stabilization

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.....	164,422.22
Employees' FICA.....	11,625.00
Employees' Medical Insurance.....	37,234.50
Employees' Retirement.....	12,330.00
Employees' FlexPlan.....	66.00
Total Personnel Services.....	\$ 226,323.62

SUPPLIES:

Office & Field.....	\$ 1,750.00
Investigation & Testing	35,000.00
Capital Outlay.....	2,000.00
Total Supplies.....	\$ 38,750.00

OTHER SERVICES AND COSTS:

Directors' Expenses.....	\$ 500.00
Employees' Expenses.....	1,000.00
Contract Services.....	19,500.00
Professional Services.....	75,000.00
Permit Expense.....	300.00
Telephone.....	1,150.00
Postage.....	350.00
Vehicle Expense.....	3,500.00
Rent.....	10,044.00
Insurance.....	5,900.00
Website Expenses.....	200.00
Maintenance & Repairs.....	5,500.00
Miscellaneous Expenses.....	2,000.00
Total Other Services and Costs.....	\$ 124,944.00

TOTAL OFFICE OPERATIONS.....	\$ 390,017.62
Total Ineligible for Cost-Share by the State.....	<u>1,145.90*</u>
Total Eligible for Cost-Share by the State.....	\$ 388,871.72

** 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.....	\$ 110,000.00
Anticipated Income.....	\$ 392,000.00

ATTACHMENTS

BIENNIAL PLAN – FY2024 & 2025

ATTACHMENT A – FY2024 COMPLETED PROJECTS

ATTACHMENT B – FY2024 ADMINISTRATIVE GRANT SUMMARY (to date)

ATTACHMENT C – FY2023 ADMINISTRATIVE GRANT SUMMARY (Final)



ATTACHMENT A

FY2024 COMPLETED PROJECTS

Custer 10 Grade Stabilization - Lyon	\$126,298.47
BWSR Water Quality & Storage	94,723.84
Landowner	30,721.05
Area II Counties (engineering/match)	853.58

Monroe 22 WSCBs - Lyon	\$33,702.30
Lyon SWCD Local Capacity	23,890.73
Landowner	7,963.57
Lyon SWCD Local Cap. - Area II Eng.	1,848.00

Lake Marshall 28 Dam Repair - Lyon	\$44,889.68
Lyon County Buffer Enforcement	32,600.76
Lyon SWCD	6,520.15
Landowner	4,346.77
Lyon SWCD Local Cap. - Area II Eng.	1,422.00

Lake Shaokatan Outlet Restoration – Lincoln	\$154,266.63
Lincoln County - Construction	145,758.50
Lincoln County - Soil Borings	6,784.00
Area II Counties (engineering match)	1,724.13

Holly 21 Grade Stab/Restoration - Murray	\$100,170.40
Plum Creek Clean Water Funds	14,171.01
Plum Creek 319 Federal Funds	56,681.04
Landowner	9,447.34
Murray SWCD Local Capacity	14,171.01
Plum Creek CWF - Area II Engineering	5,700.00

Nordland 6 Dam Restoration - Lyon	\$44,341.72
Yellow Medicine WBIF	38,887.40
Landowner	4,320.82
Area II Counties (WBIF engineering)	1,133.50

Monroe 15 WSCBs - Lyon	\$53,251.00
Lyon SWCD Local Capacity	25,710.38
Landowner	24,099.62
Lyon SWCD Local Cap. - Area II Eng.	3,441.00

Shaokatan 31 Dam Restoration - Lincoln	\$62,764.90
Yellow Medicine WBIF	55,320.21
Landowner	6,146.69
Area II Counties (WBIF engineering)	1,298.00

Holly 11 Grade Stabilization - Murray	\$138,252.70
Plum Creek Clean Water Funds	20,590.91
Plum Creek 319 Federal Funds	82,363.62
Landowner	31,910.17
Plum Creek CWF - Area II Engineering	3,388.00

RWF 8/9 Terraces & Grade Stab - Redwood	\$220,997.75
BWSR Water Quality & Storage	115,134.15
Landowners (10% match)	21,901.36
Federal EQIP Funds	50,614.17
City of Redwood Falls (15% match)	32,852.07
Area II Counties (engineering match)	496.00

BWSR Water Quality & Storage	\$209,857.99
Plum Creek Clean Water Funds	34,761.92
Plum Creek 319 Federal Funds	148,132.66
Yellow Medicine WBIF	96,639.11
Landowner Match	140,857.39
Federal EQIP Funds	50,614.17
City of Redwood Falls	32,852.07
Area II Counties	3,073.71
Counties	185,143.26
SWCDs	77,003.27
TOTAL	\$978,935.55



ATTACHMENT B

AREA II MINNESOTA RIVER BASIN PROJECTS



GRANT PERIOD:

From: October 4, 2023
To: June 30, 2024

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 8-month period of
Oct. 4, 2023 – May 31, 2024*

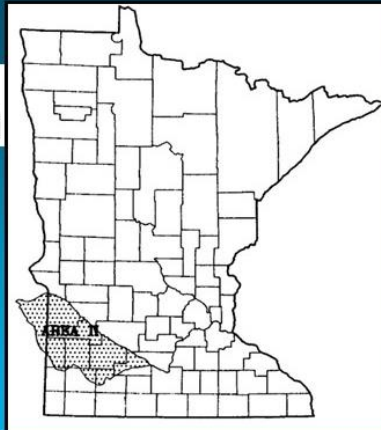
Personnel Services	\$ 140,287.02
Other Services	\$ 19,821.76
Professional Services	\$ 54,180.50
Supplies	\$ 281.33
Investigation & Testing	\$ 34,015.00
Depreciation	\$ 0.00
Contract Services	\$ 14,183.75
TOTAL FY'24 EXPENDITURE	\$ 262,769.36

PROJECT CONTACT:

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

Project Title: FY'24 ADMINISTRATIVE SERVICES GRANT

CONTRACT NO. P24-0310 \$190,000.00



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, townships 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 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 established an office in Marshall, MN which houses the Area II personnel and the equipment used to provide the engineering and other technical services cost-shared through this program.

Expenses 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 local match of \$92,000.00 to the Administrative Services Grant of \$190,000.00 (increased from \$140,000 in FY'24). This far exceeds the required 25% local match of \$63,333.33.

ATTACHMENT C

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

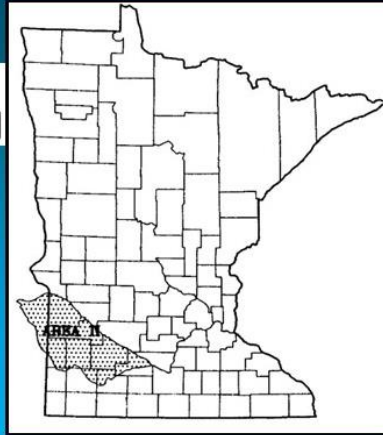
NOTE: Totals from
Area II Profit & Loss Statement
for the 11-month period of
Aug. 3, 2022 – June 30, 2023

Personnel Services	\$ 186,261.64
Other Services	\$ 43,255.55
Prof. Services	\$ 58,990.75
Supplies	\$ 717.22
Investigation & Testing	\$ 49,113.00
Depreciation	\$ 5,378.00
Project Expenses	\$ 18,190.88
TOTAL FY23 EXPENDITURE	\$ 357,012.29

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



Member Counties:

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

Area II Minnesota River Basin Projects Watershed Boundary

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.