

BIENNIAL PLAN – FY 2022 & 2023

JULY 1, 2021 – JUNE 30, 2023



Member Counties

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

AREA II MINNESOTA RIVER BASIN PROJECTS

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WWW.AREA2.ORG



CONTENTS

BIENNIAL PLAN – FY 2022 & 2023

2021 BOARD OF DIRECTORS - PAGE 2

WORK PLAN NARRATIVE- PAGES 3 & 4

OTHER ENDEAVORS - PAGE 5

POTENTIAL PROJECTS - PAGE 6

FY 2022 TECHNICAL OFFICE BUDGET - PAGE 7

ATTACHMENTS:

A – SUMMARY OF FY 2019 BONDING PROJECTS

B – FY 2021 COMPLETED PROJECTS

C – FY 2021 ADMINISTRATIVE GRANT SUMMARY

D – FY 2020 ADMINISTRATIVE GRANT SUMMARY



2021 BOARD OF DIRECTORS

BIENNIAL PLAN – FY 2022 & 2023

BROWN COUNTY

JEFF VEERKAMP

DEAN SIMONSEN (ALTERNATE)

MURRAY COUNTY

LORI GUNNINK

MOLLY MALONE (ALTERNATE)

COTTONWOOD COUNTY

LARRY ANDERSON

NORMAN HOLMEN (ALTERNATE)

PIPESTONE COUNTY

LUKE JOHNSON

DALLAS ROSKAMP (ALTERNATE)

LAC QUI PARLE COUNTY

JOHN MAATZ – CHAIR

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

RICK ANDERSON (ALTERNATE)



WORK PLAN NARRATIVE

BIENNIAL PLAN – FY 2022 & 2023

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 2-year period while the Technical Office Budget serves one fiscal year. By June 30, 2022, updates to the Biennial Plan as well as to the Technical Office Budget for FY 2023 will be provided for BWSR staff review.

1) Initiative: FY 2022 – 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 web site; 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 2022 – 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 2022 – 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 2022 – PROJECT IMPLEMENTATION VIA ADMINISTRATIVE GRANT

Description: See Potential Project List for FY 2022 & FY 2023 – Page 6 of this document.

5) Initiative: FY2019 BONDING APPROPRIATION (2018 MN Legislature, Chapter 214, Article 1, Section 9, Subdivision 3)

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 \$700,000 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 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/creation 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 – FY 2022 & 2023

- ONE WATERSHED, ONE PLAN (*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.

- ONE WATERSHED, ONE PLAN (*Lac qui Parle-Yellow Bank*)

The Lac qui Parle-Yellow Bank watershed was approved for planning grant funds. With many of the same partners as the Yellow Medicine 1W1P, this planning effort is moving along swiftly and has recently hired Houston Engineering, Inc. for consulting services. Area II has agreed to be the alternate financial administrator in the event that the LQP-YB Watershed District cannot serve in this role.

- LEGISLATIVE FUNDING REQUESTS

Requests to the 2021 Legislature were made for the biennial appropriation to Area II (\$140,000 per year), and for \$1,000,000 of Capital Investment funds for floodwater retention. The administrative appropriation was included in the omnibus environmental bill and was approved during the special session. In 2020, the same \$1,000,000 request was made. During the height of the Covid-19 pandemic, the bonding decisions were made by party leaders and the governor’s office. Area II was included as part of the DNR Flood Damage Reduction (FDR) Program rather than an appropriation to BWSR. Being added to the FDR list was a way to please local legislators, and meant that no actual funding would be spent as the list of projects far exceeds the appropriation made to the FDR program. As for the 2021 bonding request, Area II testimony was heard in the House committee which was a welcome opportunity, although no bonding bill developed during the legislative session or special session. Another request will be made in 2022.



POTENTIAL PROJECTS

BIENNIAL PLAN – FY 2022 & 2023

KEY: *FY 2022 Construction Planned*

BROWN COUNTY

- Leavenworth 11 Grade Stabilization
- Stately 9 Grade Stabilization

COTTONWOOD COUNTY

- Ann 17 Grade Stabilization

LAC QUI PARLE COUNTY

- Lac qui Parle River Diversion Restoration

LINCOLN COUNTY

- Alta Vista 18 Grade Stabilization Repair
- Marble 11 Wetland Restoration

LYON COUNTY

- Amiret 28 Grade Stabilization
- Island Lake 6 Grade Stabilization Repair
- Lynd 28 Grade Stabilization Repair
- Monroe 30 Grade Stabilization
- Nordland 28 Grade Stabilization Repair
- Sodus 24 Grade Stabilization

MURRAY COUNTY

- *Holly 2 Grade Stabilization*
- Holly 10 Grade Stabilization

REDWOOD COUNTY

- Lamberton 22 Grade Stabilization
- North Hero 34 Road Retention
- Redwood Falls 8/9 Grade Stabilization
- *Springdale 13/24 Grade Stabilization*
- *Springdale 24 Grade Stabilization*

YELLOW MEDICINE COUNTY

- *Del Clark Lake Grade Stabilizations*
- Norman 7 Grade Stabilization Repair

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

- Storden 10 Grade Stabilization Repairs (3)

▪ *Lake Benton Outlet Restoration*

- Marble 23 Grade Stabilization

- Custer 10 SE Grade Stabilization
- Lake Marshall 28 Grade Stabilization Repair
- Lynd 31 Road Retention
- Nordland 18 Grade Stabilization
- Sodus 22 Grade Stabilization
- Stanley 19 Grade Stabilization

▪ *Holly 7 Grade Stabilization*

- Holly 22 Road Retention

- Lamberton 26 Grade Stabilization
- North Hero 31 Grade Stabilization Repair
- Sherman 6 Streambank Stabilization
- *Springdale 19 Grade Stabilization*
- Springdale 28 Grade Stabilization

- Fortier 8 Grade Stabilization Repair
- Norman 10 Grade Stabilization



FY 2022 TECHNICAL OFFICE BUDGET

BIENNIAL PLAN – FY 2022 & 2023

OFFICE OPERATIONS

PERSONNEL SERVICES:

Directors' Compensation.....	\$	600.00
Directors' FICA.....		45.90
Employees' Salaries.....	148,885.00	
Employees' FICA.....	10,468.00	
Employees' Medical Insurance.....	34,000.00	
Employees' Retirement.....	11,166.38	
Employees' FlexPlan.....	66.00	
Total Personnel Services.....	\$	205,231.28

SUPPLIES:

Office & Field.....	\$	2,250.00
Investigation & Testing	13,500.00	
Capital Outlay.....	2,000.00	
Total Supplies.....	\$	17,750.00

OTHER SERVICES AND COSTS:

Directors' Expenses.....	\$	500.00
Employees' Expenses.....	1,000.00	
Contract Services.....	15,000.00	
Professional Services.....	50,000.00	
Permit Expense.....	300.00	
Telephone.....	582.00	
Postage.....	300.00	
Vehicle Expense.....	3,500.00	
Rent.....	10,044.00	
Insurance.....	4,800.00	
Website Expenses.....	120.00	
Maintenance & Repairs.....	3,500.00	
Miscellaneous Expenses.....	2,500.00	
Total Other Services and Costs.....	\$	92,146.00

TOTAL OFFICE OPERATIONS.....	\$	315,127.28
Total Ineligible for Cost-Share by the State.....		1,145.90*
Total Eligible for Cost-Share by the State.....	\$	313,981.38

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

STATE SHARE OF ELIGIBLE OFFICE COSTS.....	\$	140,000.00
Local Share of Eligible Office Costs.....	\$	92,000.00 (increased from \$87,000)
Income from Other Sources	\$	84,000.00
Anticipated Income.....	\$	316,000.00

AREA II MINNESOTA RIVER BASIN PROJECTS

ATTACHMENTS

BIENNIAL PLAN – FY 2022 & 2023

ATTACHMENT A – SUMMARY OF FY2019 BONDING APPROPRIATION

ATTACHMENT B – FY 2021 COMPLETED PROJECTS

ATTACHMENT C – FY 2021 ADMINISTRATIVE GRANT SUMMARY

ATTACHMENT D – FY 2020 ADMINISTRATIVE GRANT SUMMARY (FINAL)

ATTACHMENT A

SUMMARY OF FY2019 BONDING APPROPRIATION (\$700,000)

COMPLETED PROJECTS:

	<u>SPENT</u>	<u>REMAINING</u>
SHERIDAN 1 GRADE STABILIZATION – Redwood County	\$ 33,928.72	
LAKE MARSHALL 32 DAM REPAIR – Lyon County	\$ 14,009.92	
CHARLESTOWN 34 GRADE STABILIZATION – Redwood	\$ 69,768.10	
NORRLAND 20 GRADE STABILIZATION – Lyon County	\$ 72,663.15	
SODUS 2 GRADE STABILIZATION – Lyon County	\$ 38,514.10	
MONROE 25 STABILIZATION REPAIR – Lyon County	\$ 18,052.35	
HOLLY 16 STABILIZATION REPAIR – Murray County	\$ 7,969.57	
ROYAL 36 STABILIZATION REPAIR – Lincoln County	\$ 19,135.06	
NORTH HERO 27 GRADE STABILIZATION – Redwood Co.	\$ 18,380.10	
STONY RUN N 32 REPAIR – Yellow Medicine County	\$ 41,010.46	
ISLAND LAKE 11 STABILIZATION REPAIR – Lyon County	\$ 28,648.46	
LAMBERTON 36 GRADE STABILIZATION – Redwood Co.	\$ 15,420.00	
	<u>\$ 377,606.71</u>	

CONTRACTED PROJECTS:

SPRINGDALE 19 GRADE STABILIZATION – Redwood	\$ 322,393.29
	<u>\$ 322,393.29</u>

FY2019 BONDING BALANCE	\$ 377,606.71	\$ 322,393.29
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APPROPRIATION SUMMARY

Total Project Costs =	\$ 621,036.45
Local Match Provided =	\$ 150,956.61
Other State Funds =	\$ 11,393.21
Federal Funds =	\$ 80,533.92
State/Local Cost-Share Ratio =	1 : 2.50
Acre-Feet of storage created =	175.95
Total Acre-Feet of storage =	210.46

AREA II MINNESOTA RIVER BASIN PROJECTS

ATTACHMENT B

FY2021 COMPLETED PROJECTS

Sodus 2 Grade Stabilization - Lyon **\$ 37,844.25**
FY2019 Bonding Funds \$ 28,383.19
Landowner \$ 9,461.06

Royal 36 Dam Repair – Lincoln **\$ 28,509.50**
FY2019 Bonding Funds \$ 19,135.06
Lincoln County \$ 4,461.00
Landowner \$ 2,640.70
Area II Counties \$ 2,092.74

Island Lake 11 Dam Repair – Lyon **\$ 38,197.91**
FY2019 Bonding Funds \$ 28,648.43
Lyon County \$ 4,980.00
Landowner \$ 3,318.85
Area II Counties \$ 1,250.63

Stony Run N 32 Repair – Yellow Med **\$ 63,501.83**
FY2019 Bonding Funds \$ 41,010.46
Landowners \$ 12,150.97
Yellow Medicine SWCD \$ 6,796.65
Yellow Med. River Watershed District \$ 1,500.00
LQP-YB Watershed District \$ 1,500.00
Area II Counties \$ 543.75

North Hero 27 Repair - Redwood **\$ 24,506.80**
FY2019 Bonding Funds \$ 18,380.10
Landowner \$ 5,727.96
Area II Counties \$ 398.74

Holly 16 Dam Repair - Murray **\$ 36,850.10**
FY2019 Bonding Funds \$ 7,969.57
EQIP Federal Funds \$ 16,006.00
Landowner \$ 12,042.65
Area II Counties \$ 831.88

Lamberton 36 Grade Stab - Redwood **\$ 20,560.00**
FY2019 Bonding Funds \$ 15,420.00
Landowner \$ 5,140.00

FY2021 COMPLETED PROJECTS

FY2019 Bonding Funds \$ 158,946.81
EQIP Federal Funds \$ 16,006.00
Other State Grants \$ 6,796.65
Watershed Districts \$ 3,000.00
County Funds \$ 9,621.00
Area II Counties \$ 5,117.74
Landowners \$ 50,482.19
TOTAL **\$ 249,970.39**

AREA II MINNESOTA RIVER BASIN PROJECTS

ATTACHMENT C

AREA II MINNESOTA RIVER BASIN PROJECTS



GRANT PERIOD:

From: July 29, 2020
To: June 30, 2021

AREA II STATUTORY

AUTHORITY:

MN Statutes, Sections
103F.171 - 103F.187

Administrative Services Grant Expenditures

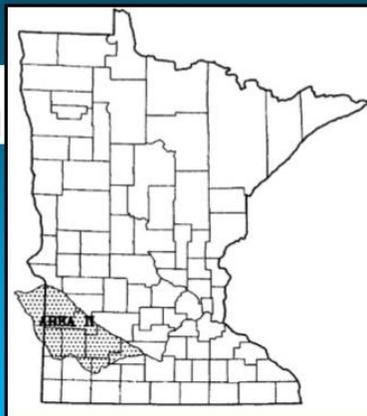
*NOTE: Totals from
Area II Profit & Loss Statement
for the 10 months ended
July 29, 2020 – May 31, 2021*

Personnel Services	\$173,987.94
Other Services	\$ 31,690.98
Prof. Services	\$ 55,757.82
Supplies	\$ 620.34
Investigation & Testing	\$ 4,757.00
Prop. Insurance	\$ 4,808.00
Capitol Outlay	\$ 0.00
TOTAL FY21 EXPENDITURE (to date)	\$271,622.08

PROJECT CONTACT:

Kerry Netzke, Executive Director
(507) 537-6369
area2@starpoint.net

Project Title: FY'21 ADMINISTRATIVE SERVICES GRANT
CONTRACT NO. P21-1420 \$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 costs and associated costs, but do not include Area II Directors' compensation, expenses, insurance costs. The combination of the nine member counties provide \$87,000.00 to the Administrative Services Grant of \$140,000.00. This is well beyond the required 25% local match.

ATTACHMENT D

AREA II

MINNESOTA RIVER BASIN PROJECTS



GRANT PERIOD:

From: November 7, 2019
To: June 30, 2021

AREA II STATUTORY

AUTHORITY:

MN Statutes, Sections
103F.171 - 103F.187

Administrative Services Grant Expenditures

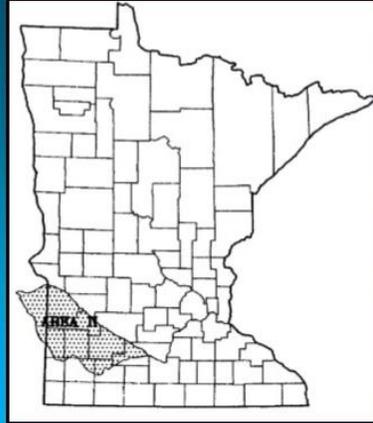
*NOTE: Totals from
Area II Profit & Loss Statement
for 8 months ended
Nov. 7, 2019 - June 30, 2020*

Personnel Services	\$ 129,858.73
Other Services	\$ 21,902.76
Prof. Services	\$ 35,568.25
Supplies	\$ 409.80
Investigation & Testing	\$ 16,500.00
Insurance	\$ 4,395.00
Capitol Outlay	\$ 0.00
TOTAL FY20 EXPENDITURE	\$208,634.54

PROJECT CONTACT:

Kerry Netzke, Executive Director
(507) 537-6369
area2@starpoint.net

Project Title: FY'20 ADMINISTRATIVE SERVICES GRANT
CONTRACT NO. P20-7874 \$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*

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