

RCRCA

AREA II / RCRCA

**October 17, 2025 – Board of Directors Meeting
Redwood Learning Center – Redwood Falls, MN**

AREA II Members Present: Jeff Veerkamp, Larry Anderson, Greg Thole, Gary Crowley, Loy Woelber, Luke Johnson, Rick Wakefield and Glen Kack.

RCRCA Members Present: Jeff Veerkamp, Bill Eckstein, Larry Anderson, Gary Crowley, Loy Woelber, Paul Posthuma, Luke Johnson, Rick Wakefield, Ed Carter and Glen Kack.

Others Present: Kerry Netzke – Executive Director, Courtney Williams – RCRCA Watersheds Coordinator and Joy Bruns – RCRCA Office Manager.

The meeting was called to order at 9:00 AM by RCRCA Chairman Johnson and Area II Chairman Anderson. The October 2nd meeting was postponed to today as a quorum was not available due to the ongoing harvest season. A quorum was present.

ADOPT AGENDA. Netzke requested an addition for Minnesota Paid Leave information.

RCRCA – Motion by Carter, seconded by Veerkamp, to approve the agenda as amended. Motion carried unanimously. **Area II** - Motion by Crowley, seconded by Thole, to approve the agenda as amended. Motion carried unanimously.

AGENCY AND MEETING REPORTS.

MPCA – Chairman Johnson reported that at the AMC Fall Policy Committee, MPCA has established a goal that 90% of the landfills and waste-to-energy facilities will no longer be in use by 2045. It was noted that recycling has proven to be not cost-effective.

MASWCD – Netzke reported the Area V meeting was held in Marshall on September 18. MCPA presented the 10-year update to the Minnesota Nutrient Reduction Strategy. Some progress has been made toward the goal with much more needed.

AMC – Chairman Johnson reported the District 8 meeting is next Thursday, October 23rd at Nobles County.

BWSR– Commissioner Crowley reported that BWSR is encouraging counties to sell wetland credits to replenish the wetland bank for the Local Government Road Wetland

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Replacement Program. His understanding is that the seller would be able to buy back the credits when needed at the same amount that they were sold to the bank.

APPROVE RCRCA MINUTES of September 2025 Board Meeting. Motion by Anderson, seconded by Eckstein, to approve the September 2025 Minutes as presented. Motion carried unanimously.

APPROVE AREA II MINUTES of September 2025 Board Meeting. Motion by Johnson, seconded by Wakefield, to approve the September 2025 Minutes as presented. Motion carried unanimously.

RCRCA TREASURER'S REPORT – September 2025. Financials were reviewed. Revenue received: \$1,506.38 Contract Services Income, \$42,092.51 Grant Income, \$7.20 Miscellaneous Income and \$5,425.46 Interest Income. No bills for approval. Motion by Veerkamp, seconded by Posthuma, to approve the September 2025 Treasurer's Report subject to audit. Motion carried unanimously.

Revenue from the following sources was recorded:

Canoe/Kayak Rental	\$ 0.00	Contract Services Income	\$ 1,506.38
Interest-Cash Sweep/CD	\$ 0.11	Interest-Checking Acct	\$ 5.45
Grant Funds	\$ 42,092.51	Misc Income (\$10 – 2.80)	\$ 7.20
Appropriations	\$ 0.00	Investment/MAGIC Interest	\$ 5,419.90

Paid bills are summarized below:

Operations/Occupancy	\$ 3,339.61	Travel Expenses	\$ 254.00
Monitoring/Evaluation	\$ 1,703.56	Personnel	\$ 20,313.33
Project Costs	\$ 30,588.87	Contract Services - Area II	\$ 3,402.96
Capital Outlay	\$ 0.00	Other Services & Charges	\$ 343.92
Promotion/Education	\$ 0.00	Contract Service–Moldestad	\$ 180.00

Bills for Approval:

Professional Services	\$ 0.00	Print Materials	\$ 0.00
Office Supplies	\$ 0.00		

AREA II TREASURER'S REPORT – September 2025. Financials were reviewed with the board. Bills for approval: \$7,105.00 Bolton & Menk. Motion by Crowley, seconded by Wakefield, to approve the September 2025 Treasurer's Report subject to audit and to approve payment of the bills. Motion carried unanimously.

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RCRCA – Approve/Amend/Pay Completed Cost Share Contracts.

CWF-2021-23	*PELL CREEK*	
Steve Churchill	North Hero 26 - Redwood	410 Grade Stabilization Restoration
EST Cost: \$101,315.50		EST Cost Share: \$ 101,315.50 (100%*)
		<u>CWF C/S:</u> \$ 65,290.99
		Redwood SWCD \$ 36,024.51

**100% funding was approved by the Redwood SWCD as Steve Churchill is the Land Occupier. The Landowner has moved out of the area and has been unresponsive to the renter's request to fix this erosion problem that outlets directly into Pell Creek. The landowner is aware of the project and in agreement with its implementation.*

Netzke presented a new cost share contract for Pell Creek - North Hero 26 – Redwood for a 410 Grade Stabilization project. Motion by Wakefield, seconded by Carter, to approve the Pell Creek – North Hero 26 – Redwood 410 Grade Stabilization project as presented. Motion carried unanimously.

Netzke added that with this project, all Pell Creek grant funds have been encumbered.

AREA II – Approve/Amend/Pay Completed Cost Share Contracts.

NEW CONTRACTS:

Gen. Fund Const. Grant-2023	Norman 7 – Yellow Medicine	410 Dam Restoration
Lloyd Schrunk		
EST Cost: \$165,683.60		EST Cost Share: \$124,262.70 (75%)
		<u>Local Match:</u> \$41,420.90
		LQP-YB WD \$ 19,399.87
		Landowner \$ 22,012.03

Netzke presented a contract for the Norman 7 Dam Restoration project. The bid opening was October 8, 2025 with the lowest bid over the Engineer's Estimate of \$155,199.00. The landowner is willing to pay the extra cost. Motion by Crowley, seconded by Thole, to approve the Norman 7 Dam Restoration project. Motion carried unanimously.

EXECUTIVE DIRECTOR'S REPORT

• **Health Insurance Renewals for 2026** Netzke contacted the Minnesota Health Consortium asking if the Area II and RCRCA plans could be made identical. Underwriting considered the request, however with the plans already being so similar, there would be little difference to the premium rates. MHC added that Area II is in the Tier 1 category while RCRCA is in Tier 3. 25% of all groups compose Tiers 1 & 2, while 50% of the groups are in Tier 3. The only option to have identical plans is to select a Plan from the renewal list for both groups. Staff are supportive of staying with the existing plans.

AREA II

- **BWSR Academy** Netzke will be presenting twice on October 22 (Water Quality & Storage, and O&M Strategies). She will drive up on October 21 and return on October 22.
- **North Hero 34 Road Retention** Netzke was asked to attend the September 16th Redwood County Commissioners' meeting to accompany the request for \$25,000 to assist the township with local match. Concern was voiced about setting precedent for helping with culvert projects, however the county approved the funding clarifying that the project was a water storage project in an area of the county where it is especially needed.
- **Alta Vista 27 Landowner/Township Meeting** The meeting was held September 17th at the Alta Vista Township Hall and was well attended. Permits will now be submitted as there were no changes needed to the existing Plans. Staff will follow up with right-of-way and easement quantities to those landowners. The township has asked for some financial assistance with the local match (~\$195,000); Netzke will make some requests to other match sources.
- **LQP Floodway RFP** Netzke drafted an RFP for engineering services which was reviewed and revised by the partners (DNR, LQP-YB WD, and Yellow Medicine County). RFPs were released on September 19 and sent to Bolton & Menk, Houston Engineering, Barr Engineering, Merjent, ISG, and Stantec. RFPs are due October 24 with a recommendation to be made to the Area II Board at the November 4 meeting for award.
- **Area II FY25 Audit** Netzke informed the board that Peterson Company Ltd. has started the audit for FY25. A new auditor has been assigned who has been asking many questions regarding projects, unearned revenue, and procedures. Chairman Anderson also received a questionnaire which has not happened in previous years.

RCRCA

- **Cottonwood-Middle MN CWMP Update** Netzke submitted the final report in eLINK and requested reimbursement of \$25,300 (10% grant). BWSR has requested information to reconcile the grant expenditures, and we should be nearing completion. Upon completion, the reimbursement will be made to RCRCA.
- **Cottonwood-Middle MN WBIF** Julie Mueller, BWSR visited our office on October 7th to reconcile the CWMM-WBIF Implementation grant to make sure we're off to a good start. BWSR wishes to see the billable rates entered into eLINK for staff hours. With Williams being paid 100% by the grant, we are unsure how to get QuickBooks to reflect the billable rate which is higher than the hourly rate. Netzke & Bruns will meet virtually with Michael Peterson on October 24th to discuss this issue and see if he can recommend a solution.
- **Redwood CWMP Update** The Formal Review (August 1 – September 30) comment period has ended and only the five state agencies submitted comment letters. The majority

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of the letters commended the plan and the collaborators, with only a few comments suggesting language changes in the plan. The Steering Team and Policy Committee will meet on October 13 to address comments and to plan the public hearing on November 10.

- **Lake Redwood CDF Use Agreement** We are still waiting on the MMB Assistant Commissioner to sign off on the Agreement before RCRCA and the City of Redwood Falls can execute the Agreement. Minor language changes to the agreement continue to be suggested by MMB.

- **Environmental Fair** Wohnoutka and Bruns conducted Stream Table presentations to 346 5th and 6th graders (14 sessions) on September 23 & 24 at the Lyon County Fairgrounds. Over 1,500 students attended the 2-day event.

AREA II ENGINEER'S REPORT.

North Hero 34 Road Retention, Redwood County. Kerry has acquired \$25,000 from Redwood County as the township needed assistance with their local match to the construction cost. The final plans and specifications are now being submitted for permits. Due to August storm damage, the road is now closed until this project can be constructed.

Alta Vista 27 Road Retention, Lincoln County. Final plans and a cost estimate were presented to the township board and landowners at a meeting on September 17th. At this meeting tree moving and removals, flowage and slope easements, borrow sites, mitigation and permitting (stream realignment) needs were discussed. It was decided to remove the tree removal from the base bid as the tree removals will need to be completed this winter prior to construction next year. Permit applications are now being submitted for this project with no changes to the Plans needed.

Florida Creek Restoration, LQP County. Work continues on this project to restore 1,000 feet of natural channel on DNR property. Submittal of 90% plans for review occurred on July 30. Bidding documents are being prepared by Bolton & Menk. Work is intended to be done over the winter months to prevent damage to the DNR property.

Norman 34 Dam Repair, Yellow Medicine County. Final plans and cost estimate have been developed. We await response from the landowner authorizing staff to proceed. This project should be eligible for 90% cost-share funding through the Yellow Medicine One Watershed One Plan and provide nice reductions in terms of floodwater storage and sediment reduction.

Springdale 30 Road Retention (CSAH 20), Redwood County. Bids for this project were opened by Redwood County Highway Department on September 30. Award was made October 7th to Noomen Excavating LLC at \$899,179.58. Engineer's Estimate was \$1,011,907.60 with three bids submitted under the estimate. Construction is planned for 2026.

Island Lake 27 Grade Stabilization Repair, Lyon County. Ground Works (Bill Sterzinger) completed the project, and payment has been requested from BWSR. Once Lyon County receives the funds, the landowner will receive payment to forward to the contractor.

Norman 7 Dam Repair, Yellow Medicine County. This is a dam repair project that was originally designed in 2020 and consists of replacing the failing metal pipe and embankment structure. Additionally, the existing pond is to be cleaned of sediment that has reduced the water depth to a few feet. The cleanout will happen over the winter months, while construction will wait until Summer 2026. Final plans, specifications, and

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cost estimate have been completed. Bids were opened on October 8th. The low bid was \$165,683.60 submitted by Noomen Excavating LLC with the Engineer's Estimate of cost at \$155,199.00. The Lac qui Parle-Yellow Bank Watershed District approved assisting the landowner with the 25% local share up to \$19,399.87 (12.5% of estimate). The landowner is agreeable to paying the remaining amount. ***North Hero 26 Grade Stabilization Repair, Redwood County.*** This is a grade stabilization project designed in 2022 that includes pond excavation. Final plans and specifications have been revised from the initial design by Duane Hansel, PE and are now complete. Bids were opened October 1st. The low bid was \$83,369.98 from Dusty's Service & Repair; Engineer's Estimate of cost is \$101,315.50.

AREA II – Joint Powers Agreement Renewal. Netzke noted that the current agreement will expire on December 31, 2025. She has added the same wording that RCRCA has in their joint powers agreement to make it self-renewing unless there are changes to the contributions or other sections of the agreement. Motion by Johnson, seconded by Wakefield, to approve the revised agreement. Motion carried unanimously. The JPA will be emailed to the counties to review and approve. Signatures will be obtained at the December 2025 meeting tentatively.

AREA II – Norman 7 Grade Stabilization Restoration – Local Match Resolution. Netzke provided a Resolution for Area II's local match contribution as required by the General Fund Construction Grant agreement. Motion by Crowley, seconded by Wakefield, to approve the Resolution for Local Match (\$43,900.15) for the Norman 7 Grade Stabilization Restoration. Motion carried unanimously by roll call vote.

AREA II – 2026 Health Insurance Renewal. Netzke reviewed the 2026 premium rates compared to the previous year. Area II is scheduled to receive a \$6,835.60 settlement upon renewal. Staff would like to stay with the current plan; the Board agrees that this is a very good plan for the price. Motion by Thole, seconded by Kack, to accept the renewal rates for 2026 for the current plan. Motion carried unanimously.

AREA II – CWMM-WBIF Grant Disbursal Agreement (Technical Service Provider). This agreement allows RCRCA to pay technical services provided by Area II from the WBIF grant. Motion by Woelber, seconded by Thole, to approve the agreement. Motion carried unanimously.

AREA II – Alta Vista 7 Project Update. A few months ago, Netzke requested a one-year extension to the Water Quality and Storage Grant that is set to expire December 31, 2025. Given the source of the grant (State of MN General Funds overseen by MMB), an extension is not possible due to the appropriation language. However, MMB and BWSR have agreed that the remaining funds may be returned, Area II reapply for the same project when the RFP opens October 30, and then resume work on the project when the grant agreement is

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signed in February/March 2026. The perk of doing this is that the current grant is 75/25 cost-share and the new grant will be 90/10 cost-share. BWSR needs the funds returned prior to the RFP opening, so no later than October 29. Area II has been asked to expend the funds needed for work completed to carry the project through the winter months which is when permit applications and their review will be conducted.

Netzke provided a list of expenditures for Board approval: R&G Construction \$19,000.00 for 2.4-acres of tree removal; Scott's Tree Service \$6,250.00 for moving/relocating up to 25 trees; DNR \$1,200.00 Dam Safety Permit; and \$1,225.00 Bolton & Menk for services through October. The total is \$27,675.00. Motion by Veerkamp, seconded by Woelber to approve these expenditures and payment up to \$27,675.00. Motion carried unanimously.

RCRCA – 2026 Health Insurance Renewal. Netzke reviewed the 2026 rates compared to the previous year. The staff would like to retain the same policy. Motion by Carter, seconded by Wakefield, to renew the health insurance plan as quoted. Motion carried unanimously.

RCRCA does not currently have a benefit policy for family coverage, as staff have only carried single coverage paid at 100% by the employer. Discussion followed with board agreement that the policy for both organizations should be the same. Motion by Wakefield, seconded by Crowley, and set family coverage at 100% paid by employer starting January 2026. Motion carried unanimously.

RCRCA – CWMM WBIF Grant Disbursal Agreement (Technical Service Provider). This agreement allows RCRCA to pay technical services provided by RCRCA (Bill Moldestad) from the WBIF grant. Motion by Eckstein, seconded by Posthuma, to approve the agreement. Motion carried unanimously.

Performance Reviews of RCRCA Office Manager – Bruns, RCRCA Watershed Technician – Wohnoutka, and Area II Engineering Technician - DeSchepper. Netzke reported very satisfactory reviews of these employees who have been with the organizations for many years. RCRCA staff received wage adjustments in the Fall of 2024 and a 3% COLA in January 2025. DeSchepper's wage was adjusted in the Fall of 2024, and 100% employer-paid family health insurance for employees effective January 1, 2025. With both organizations having financial limitations due to low reserves and reduced administrative funding from the State of MN, employees are aware of limited resources for wage increases. Staff are understanding and would appreciate a COLA. The counties were polled as to the COLA's being offered for 2026 with the most common response was 3%. Netzke will begin the FY26 budget for RCRCA in November and will incorporate the COLA. RCRCA will be receiving \$5,000 more from county appropriations starting in 2026. She will

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also review Area II's financial status by the end of December to see if the COLA could be implemented January 1 since one was not given July 1, 2025.

Minnesota Paid Leave Premium. This new program will start January 1, 2026. The State is proposing 0.88% of wages for a large employer, 0.66% for a small employer (<30 employees). The employer is responsible for at least 50% of the premium. Alternative plans can be submitted to the State for approval by November 10 as several companies are offering premiums for less than the State's 0.66%. Discussion followed. The majority of the counties are going with MetLife for coverage for Paid Leave, and not the state program. The board requested that Netzke obtain rates from MetLife for both organizations to consider at the November 6, 2025 board meeting.

ADJOURNMENT. Chairman Anderson and Chairman Johnson declared the meeting adjourned at 10:15 AM.

UPCOMING MEETINGS:

November Board Meeting	Thursday, Nov. 6, 2025	Lyon County Government Center
December Board Meeting	Thursday, Dec. 4, 2025	Redwood County Learning Center

Luke Johnson, RCRCA Chairman	Date
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