

***CLARKE COUNTY RESERVOIR COMMISSION***  
**Clarke County Development Office**  
**115 East Washington Street, Osceola, IA 50213**  
***Thursday, September 10, 2009***  
***9:00 a.m.***

Sandy Kale, Chairperson (by phone)  
Jack Cooley, Vice Chairperson  
Fred Diehl, Secretary  
Dan McIntosh, Treasurer  
Frank Riley  
Norm Lust  
Harold Allen, Jr.  
Bill Trickey  
Jeannie Crees, Alternate  
Anne Welker

Osceola Water Board  
Clarke County Supervisors  
City of Osceola  
Southern Iowa Rural Water Association  
Clarke County Conservation Board  
Clarke Soil & Water Conservation District  
City of Woodburn  
Clarke County Development Board  
City of Murray  
Member at Large

Kathy Kelly  
Mike Kelly  
Nelson Fry  
Jerry Webb  
Rick Buesch  
Anita Foland  
Thomas E. Andersen  
Jeremy Tipton  
John Dodge  
Robert Himschoot  
Melissa Brownrigg  
Ed Stoll  
Dan Shepherd  
Marion James  
Dennis Hilger  
Judy Weese

Landowner  
Landowner  
Landowner  
Osceola  
Banta Abstract Co., Osceola  
Clarke County Conservation Board  
Clarke County Engineer  
GLB Enterprises, Cedar Rapids  
GLB Enterprises, Cedar Rapids  
GLB Enterprises, Cedar Rapids  
Osceola Sentinel-Tribune  
Osceola Police Department  
Southern Iowa Rural Water Association  
James Law Firm, Creston  
Southern Iowa RC&D, Inc.  
Southern Iowa RC&D, Inc.

- Not everyone who attended the meeting signed in.

**CALL MEETING TO ORDER**

Vice Chairperson Jack Cooley called the meeting of the Clarke County Reservoir Commission (CCRC) to order at 9:00 a.m. Nine Commissioners and one Alternate responded to roll call. (Chairperson Sandy Kale participated by phone.)

**APPROVE AGENDA**

A motion to approve the September 10, 2009 meeting agenda as written and posted was made by Commissioner Norm Lust and seconded by Commissioner Fred Diehl. Motion carried on a roll call vote:

Ayes: Commissioners Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

**APPROVE AUGUST 13, 2009 MEETING MINUTES**

A motion was made by Commissioner Dan McIntosh and seconded by Commissioner Norm Lust to approve the August 13, 2009 meeting minutes as written. Motion carried on a roll call vote:

Ayes: Commissioners Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

**TREASURER'S REPORT**

**TREASURER'S REPORT  
Clarke County Reservoir Commission  
September 10, 2009**

<b>CHECKING ACCOUNT</b>		<b>CK#</b>
<b>PREVIOUS BALANCE</b> (August 13, 2009)	<b>\$3,367.39</b>	
<b>REVENUE RECEIVED</b>		
8/31/2009 SIRWA – FY 2010 Sponsor Dues	8,120.00	
8/31/2009 Interest for July 2009	<u>1.24</u>	
<b>TOTAL REVENUE RECEIVED</b>	<b>8,121.24</b>	
<b>CASH BALANCE</b>	<b>\$11,488.63</b>	
<b>EXPENSES PRESENTED FOR PAYMENT</b>		
9/10/2009 Creston Publishing – publish minutes	69.23	Ck #1098
9/10/2009 SIRC&D Service Contract – Sept, Oct. & Nov. 2009	13,300.00	Ck #1099
9/10/2009 SIRC&D – postage expense reimbursement to SIRC&D	259.53	Ck #1100
9/10/2009 Creston Publishing – CPA advertising; Creston & Osceola newspapers	<u>162.15</u>	Ck #1101
<b>TOTAL EXPENSES PRESENTED FOR PAYMENT</b>	<b><u>13,790.91</u></b>	
<b>ENDING BALANCE</b> (September 10, 2009)	<b>(\$2,302.28)</b>	

<b>SPECIAL ACCOUNT</b>		<b>CK#</b>
<i>(Opened 7/26/07)</i>		
<b>PREVIOUS BALANCE</b> (August 13, 2009)	<b>\$25.17</b>	
<b>REVENUE RECEIVED</b>	<b><u>0.00</u></b>	
<b>CASH BALANCE</b> (August 13, 2009)	<b>\$25.17</b>	
<b>EXPENSES PRESENTED FOR PAYMENT</b>	<b><u>0.00</u></b>	
<b>ENDING BALANCE</b> (September 10, 2009)	<b>\$25.17</b>	

<b>LOSST 2008 CHECKING ACCOUNT</b>	<b>CK#</b>
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Account opened 10/9/2008

**PREVIOUS BALANCE** (August 13, 2009) **\$ 207,933.81**

**REVENUE RECEIVED**

8/27/2009	City of Woodburn – Check #9014 (Sales Tax Period: June 2009)	3,365.52
8/31/2009	Interest for August 2009	<u>127.16</u>

**TOTAL REVENUE RECEIVED TO DATE** **3,492.68**

**CASH BALANCE** (September 10, 2009) **\$ 211,426.49**

**EXPENSES PRESENTED FOR PAYMENT**

9/10/2009	James Law Firm – legal services	2,050.00		Ck 1024
9/10/2009	Howard R. Green – professional service	<u>213.00</u>		Ck 1025

**TOTAL EXPENSES** **\$2,263.00**

**ENDING BALANCE** (September 10, 2009) **\$209,163.49**

<b>LOSST 2009 CHECKING ACCOUNT</b>
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Account opened 4/17/2009

**PREVIOUS BALANCE** (August 13, 2009) **\$337,064.77**

**REVENUE RECEIVED**

8/27/2009	City of Osceola – Check #267644 (Sales Tax Period: June 2009)	77,617.16
8/31/2009	Interest for August 2009	<u>186.29</u>

**TOTAL REVENUE RECEIVED** **\$77,803.45**

**CASH BALANCE** (September 10, 2009) **\$414,868.22**

**EXPENSES PRESENTED FOR PAYMENT**

9/10/2009	GLB Enterprises, LLC (land acquisition team activity for August 2009)	<u>1,836.00</u>		Ck 1004
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**TOTAL EXPENSE** **\$1,836.00**

**ENDING BALANCE** (September 10, 2009) **\$413,032.22**

<b>12 MONTH CERTIFICATE OF DEPOSIT</b>
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12/11/2008 Time Certificate of Deposit (2008 Local Option Sales & Service Tax) **\$300,000.00**

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Treasurer Dan McIntosh noted that copies of the Treasurer’s Report were available for the Commissioners and audience to review. He commented that some of the FY 2010 dues had not been received. The balance for the general account showed a deficit of \$2,302.28 and, therefore, some checks would be held until more FY 2010 dues were received. A motion to approve the Treasurer’s Report and to pay the bills as presented was made by Commissioner Sandy Kale (by phone), seconded by Commissioner Harold Allen, Jr. and carried on roll call vote:

Ayes: Commissioners Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

## OLD BUSINESS

### LEGAL SERVICES RETAINER CONTRACT

Attorney Marion James explained that at the August 13, 2009 meeting he distributed a retainer contract to CCRC Commissioners to review. If the Commissioners approved the contract, Mr. James would consider the project top priority and invoice for 10 hours per month for the next six months (60 hours); and, if the work load exceeded that amount, he would invoice for the balance at the end of the six month period and then re-evaluate the anticipated legal service for CCRC. If the work load was less, there would be no adjustment. Mr. James stated he would also be willing to continue as is and submit a monthly bill for legal services, or, submit a bill in accordance to a retainer contract.

It was consensus of the Commissioners that CCRC will continue to accept monthly bills for legal services as performed. There was no motion to approve a retainer contract.

## NEW BUSINESS

### CCRC FINANCIAL POLICY

Treasurer Dan McIntosh explained that CPA Ted Willets had presented a question concerning Item 12 of the CCRC Financial Policy. According to the financial policy, “the audit shall be conducted in accordance to OMB Circular A-133.” This circular applies to audits of federal funds that exceed \$500,000. To date CCRC has not received federal funds. Mr. Willets submitted his bid based on a general audit. An audit completed according to OMB Circular A-133 (Office of Management and Budget, Executive Office of the President) will cost approximately an additional \$2,500. In order for Mr. Willets to proceed with a general audit the language in the policy must be revised. The revision would include the insertion of two words – *if necessary* – to allow flexibility for auditor to conduct the necessary audit. Mr. McIntosh stated that an audit was not required at this time, but the officers concluded that a yearly audit was a good business practice.

Motion was made by Commissioner Dan McIntosh to revise the CCRC Financial Policy with the insertion of - *if necessary* – to Item 12 of the policy. Motion was seconded by Commissioner Frank Riley and carried on roll call vote:

Ayes: Commissioners Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

### MEDIA COMMITTEE REPORT

Media Committee Chairperson Frank Riley reported the committee had met the previous week to review drafts and progress to date. (At the August 13, 2009 CCRC meeting, the Commissioners gave their approval to start a Five Point Media Campaign to inform the public of CCRC’s water supply project.)

Mr. Riley reported the progress to date. The first “Water Facts” article was written and published in The Advertiser September 8, 2009. The first draft of the poster has been reviewed by the Media Committee and is now being reviewed by USDA Natural Resources Conservation Service at no cost. The first brochure should be finalized before the next meeting. The committee plans to have a power point presentation completed for the next CCRC monthly meeting and have the website completed the end of October. All five items of the Five point Media Campaign will be reviewed by CCRC Board of Directors before items are released for public use.

It was noted that Murray will be voting on the Local Option Sales and Service Tax on November 3, 2009. The Murray City Council will have one public (community) meeting before the first Tuesday of November (November 3) to inform the Murray citizens of their responsibility for paying for a percentage of the water supply project. CCRC Commissioner Scott Busick plans to use posters and brochures at this meeting.

It was the consensus of the Commissioners that CCRC post a meeting notice with the notice indicating that CCRC Commissioners may gather at the Murray community meeting but will not conduct any business and will not make any business decisions at that meeting.

### **USDA NRCS REPORT**

Mark McCurdy, Civil Engineer from the USDA NRCS Planning Staff in Des Moines, presented the Commissioners and audience a written report entitled *NRCS Progress Report*:

1. Activities in August included work on seepage loss analyses that will apply to water supply projects. Work related to the Clarke County project has paused effective August 28.
2. The NRCS reimbursable agreement with CCRC is completed. Due to end of federal fiscal year accounting constraints, it is possible that planning work will not be able to recommence before October 1. Direction is being sought at this time.
3. If temporary access is granted for sites 3.5 and 4B the following tasks would be completed:
  - a. Geologic investigation which would consist of test holes on centerline of fill at each site.
  - b. Cultural resources investigation of dam sites, borrow area, and pool areas which would include shallow borings to confirm that post settlement alluvium is or is not present in those areas.
4. Education Item – DAPA (Drainage Area to Pool Area) Ratio
  - a. DAPA ratio is short for ‘drainage area to pool area’ ratio. For example, a structure with 2,500 acres of drainage area and 100 acres of pool has a DAPA ratio of 25:1.
  - b. The DAPA ratio, as we are applying it to surface water supply, has an upper limit, 30:1, and a lower limit, 17:1.
  - c. The upper limit relates to sedimentation and water quality. As the DAPA ratio gets higher, sediment loads to the pool become increasingly higher. The life of a pool may be shortened. Higher sediment loads also impact water quality because the sediment stays in suspension longer.
  - d. The lower limit relates to watershed yield. A watershed will only support a certain size pool during a given hydrologic event. In Iowa we generally consider a 20:1 DAPA ratio to be ideal. For Squaw Creek, we believe an acceptable lower limit is 17:1 when a site is also modeled for the design drought period and yields reasonable results. Lowering the DAPA ratio means there is less drainage area to support each acre of pool and could result in running short of water in droughts that are less severe than the design drought.

Mr. McCurdy presented the above information as a handout and presented Vice Chairperson Jack Cooley a copy of the Reimbursable Agreement (Item 2). Mr. McCurdy also addressed questions presented from the Commissioners and audience.

### **EDUCATION REPORT**

The education report was Item 4 under “USDA NRCS Report.”

### **TECHNICAL SERVICES CONTRACT**

The Reimbursable Agreement between the Natural Resources Conservation Service and the Clarke County Reservoir Commission was ready for consideration by the Commissioners. Chairperson Sandy Kale (by phone) stated she had questions and wanted more information on Item 3 concerning the Code of Federal Regulations (CFRs). Other Commissioners expressed they wanted some time to review the agreement. SIRC&D staff agreed to make copies and mail the agreement to Commissioners.

It was the consensus of the Commissioners to have a Special Meeting by conference call on September 17, 2009 at 8:00 a.m. Commissioner William Trickey agreed to use the Clarke County Development Office as the host site for the public to attend the meeting. The meeting notice will be posted at the regular posting sites.

**LAND COMMITTEE MEETING REPORT**

Land Committee Chairperson Norm Lust reported that the committee met August 28, 2009. Those in attendance included committee members Norm Lust, Jack Cooley, and Harold Allen, Jr. Others who attended the meeting included land acquisition team members Jeremy Tipton, John Dodge and Robert Himschoot, Attorney Marion James and RC&D staff member Dennis Hilger. No decisions were made, only recommendations were provided.

The committee collected information concerning land acquisition. It was noted by the land acquisition team that 40 to 50 percent of the landowners own land on both sites (Sites 3.5 and 4B). It was reported that 3.8 million dollars of casino funds are available for land acquisition. It was also noted that existing and future LOSST revenue could be used to pay interest and principal on land loans to acquire property.

Assessing opinions of the landowners at sites 3.5 and 4B, acquiring temporary easements or licenses for investigative work to be completed by NRCS, copies of property appraisals and options to acquire property were discussed. It was the consensus that a recommendation needs to be made to CCRC board of directors that the cost of the pipeline from Des Moines should be updated before any options for land purchase can be negotiated.

The other item the committee discussed was the good work completed by the Howard R. Green Company. It was discussed if at some point does CCRC want to get a second report from a different engineering firm. If two firms had same facts and figures, this information would show more creditability.

The land committee heard suggestions from the land acquisition team on how to keep the team best employed.

It was the consensus of the Land Committee that CCRC should give consideration to doing a survey of landowners to determine who would be a willing seller. All landowners in sites 3.5 and 4B should be visited. CCRC should not wait any longer in communicating with each landowner even though the estimated value of the seller's land will not be known until the appraisal is performed.

Other considerations included discussion on an update of cost of pipeline from Des Moines to Osceola and whether to solicit another engineering firm to complete a pipeline cost study or use an updated report from Howard R. Green; approve the request from the members of the Land Acquisition Committee for a minimum compensation to stay with the project and have the CCRC attorney review the issue of liability coverage for the land acquisition committee.

Committee Chairperson Lust indicated there would be many more land committee meetings and that they would be working closely with Iowa Department of Natural Resources (IDNR).

Attorney James commented that the Commissioners may want to visit with Mark Duben, Engineer at Howard R. Green Engineering Firm regarding the cost of the pipeline as to what type of analysis was used; or, was preliminary planning or preliminary design analysis used.

**CLOSED SESSION**

Motion was made by Commissioner Fred Diehl and seconded by Commissioner Frank Riley to go into closed session at 9:52 a.m. as authorized by Iowa Code 21.5, Subsection j, to discuss the purchase of particular real estate interest which in this case involves acquisition of a temporary easement to gain access for investigative studies. Motion carried on roll call vote:

Ayes: Commissioners Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

The Commissioners of Clarke County Reservoir Commission returned from closed session and resumed open session at 10:46 a.m. Those responding to roll call included: Commissioners Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

Commissioner Norm Lust was absent. (Mr. Lust left during closed session at 10:40 a.m.)

Vice Chairperson Jack Cooley asked for presentation of motions.

RC&D staff member Judy Weese read the first motion as follows: "Allow land acquisition contractor GLB Enterprises, LLC, to begin discussion with interested parties."

Motion was made by Commissioner Fred Diehl and seconded by Commissioner Harold Allen, Jr., to approve the motion as read. Motion carried on roll call vote:

Ayes: Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

Absent: Commissioner Norm Lust

RC&D staff member Judy Weese read the second motion as follows: "Authorize negotiation team, GLB Enterprises LLC, to acquire such access rights as deemed necessary by NRCS subject to final approval by CCRC Board of Directors."

Motion was made by Commissioner Dan McIntosh and seconded by Commissioner Fred Diehl to approve the motion as read. Motion carried on roll call vote:

Ayes: Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

Absent: Commissioner Norm Lust

### **LAND ACQUISITION TEAM REPORT**

Robert Himschoot thanked CCRC for passing the motions so the team could start working. He stated the team will take direction from NRCS and from the land committee. The team will submit monthly reports. The forms that will be used will be developed under the supervision of Attorney Marion James and Dennis Hilger.

### **REQUEST FOR TECHNICAL SERVICES FOR PRUDENT & FEASIBLE ALTERNATIVES STUDY**

There was discussion regarding updating the prudent and feasible alternatives study. It was noted it is essential to get an updated report on the price of a pipeline. CCRC needs to decide on the engineering firm to hire to complete the updated report. It was noted that Mark Duben at Howard R. Green has information on the project. It was consensus of the Commissioners that Commissioner Dan McIntosh ask Mr. Duben to give CCRC an estimate on doing an updated study.

### **SPONSORS REPORTS**

Alternate Jeannie Crees left the meeting at 11:00 a.m.

Commissioner Sandy Kale, Osceola Water Board, reported she had received good comments on the media article that was in The Advertiser.

Commissioner Fred Diehl, City of Osceola, reported the Iowa Governor will present a speech at approximately 9:30 a.m., September 23, 2009 at the Osceola Amtrak Station.

Commissioner Frank Riley, Clarke County Conservation Board, reported there will a rural music festival at Hopeville on Sunday (September 13, 2009). The Murray Development Corporation will sponsor a food stand.

Commissioner William Trickey, Clarke County Development Corporation, reported construction had been started at the site for the new assisted living facility. A contract was ready to be signed for a new hotel at the Casino.

**OTHER ITEMS TO BE DISCUSSED BY COMMISSION MEMBERS**

It was the consensus of the Commissioners to schedule a special meeting through conference call meeting center for September 17 at 8:00 a.m. with the Clarke County Development Office designated as the host site for the public to attend. The Southern Iowa RC&D Area Office staff will send CCRC Commissioners the necessary information for accessing the conference call meeting center. The meeting agenda will include two items: (1) Reimbursement Agreement between the NRCS and CCRC, and (2) Updated costs estimate for a pipeline.

(The next meeting will be October 8, 2009 at the Clarke County Development Office in Osceola.)

**OPPORTUNITY FOR CITIZENS TO ADDRESS THE BOARD**

Questions presented from the audience were addressed by NRCS staff and the Commissioners.

**ADJOURN MEETING**

Motion was made by Commissioner Dan McIntosh and seconded by Commissioner William Trickey to adjourn the meeting at 11:13 a.m. Motion carried on a roll call vote:

Ayes: Commissioners Sandy Kale, Dan McIntosh, Anne Welker, Fred Diehl, Harold Allen, Jr., Jack Cooley, Frank Riley, William Trickey and Alternate Jeannie Crees.

Absent: Commissioner Norm Lust and Alternate Jeannie Crees.

Secretary

Fred Diehl

**THE NEXT MEETING OF THE CLARKE COUNTY RESERVOIR COMMISSION IS SCHEDULED FOR THURSDAY, OCTOBER 8, 2009 AT 9:00 A.M. AT THE CLARKE COUNTY DEVELOPMENT OFFICE.**