

***CLARKE COUNTY RESERVOIR COMMISSION
AMERICAN STATE BANK
Thursday, April 10, 2008
9:00 a.m.***

Sandy Kale, Chairperson
Jack Cooley, Vice-Chairperson
Lyle Persels
Fred Diehl
Frank Riley
Norm Lust
Scott Busick
Harold Allen, Jr.
Anne Welker
Dan McIntosh

Osceola Water Board
Clarke County Board of Supervisors
Clarke County Development Corporation
City of Osceola
Clarke County Conservation Board
Clarke Soil & Water Conservation District
City of Murray
City of Woodburn
Member at Large
SIRWA

Anita Foland
Jeannie Crees
Bob Horton
Daniel Shepherd
Dave Beck
Dennis Schrodt
William A. Kelly
Thomas B. Anderson, P.E.
Merle Klein
Marion James
Kathy Flam
Dennis Hilger

Clarke Co. Conservation Board
Murray City Council
Osceola Water Board
SIRWA
USDA NRCS
USDA NRCS
Osceola City Administrator
Clarke County Engineer
Landowner
James Law Firm
Southern Iowa RC&D
Southern Iowa RC&D/NRCS

- Not everyone who attended the meeting signed in.

CALL MEETING TO ORDER

Chairperson Sandy Kale called the meeting of the Clarke County Reservoir Commission (CCRC) to order at 9:02 a.m. Nine Commissioners and one alternate responded to roll call.

APPROVE AGENDA

A motion to approve the agenda as written was made by Commissioner Fred Diehl and seconded by Commissioner Harold Allen, Jr. Motion carried with a roll call vote:

Ayes: Commissioners Scott Busick, H. Allen Jr., Jack Cooley, Fred Diehl, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker, Frank Riley and Alternate Lyle Persels.

APPROVE MARCH 6, 2008 MEETING MINUTES

Motion was made by Commissioner Norm Lust and seconded by Commissioner Scott Busick to approve the March 6, 2008 meeting minutes. Motion carried with roll call vote:

Ayes: Commissioners Scott Busick, H. Allen Jr., Jack Cooley, Norm Lust, Sandy Kale, Dan McIntosh, and Anne Welker.

Abstain: Commissioners Fred Diehl, Frank Riley and Alternate Lyle Persels.

TREASURER'S REPORT

**TREASURER'S REPORT
Clarke County Reservoir Commission
April 10, 2008**

CHECKING ACCOUNT

PREVIOUS BALANCE (March 6, 2008)		\$1,652.47
REVENUE RECEIVED		
03/31/2008 Interest Received for March 2008	.63	
TOTAL REVENUE RECEIVED		.63
CASH BALANCE		\$1,653.10
EXPENSES PRESENTED FOR PAYMENT		
04/10/2008 Southern Iowa RC&D-quarterly payment March, April, May 2008	7500.00	
04/10/2008 Southern Iowa RC&D-postage expense	142.68	
TOTAL EXPENSES		7,642.68
ENDING BALANCE (April 10, 2008)		(\$5,989.58)

SPECIAL ACCOUNT

(Opened 7/26/2007)

PREVIOUS BALANCE (March 6, 2008)		\$8,052.00
REVENUE RECEIVED		
03/31/2008 Interest for March 2008	13.11	
TOTAL REVENUE RECEIVED		13.11
CASH BALANCE		\$8,065.11
EXPENSES PRESENTED FOR PAYMENT		
04/10/2008 Ahlers & Cooney, P.C. – legal service Feb. & March 2008	5,784.81	
04/10/2008 James Law Firm – legal service	3,716.51	
TOTAL EXPENSES		\$9,501.32
ENDING BALANCE (April 10, 2008)		(\$1,436.21)

12 MONTH CERTIFICATE OF DEPOSIT

PREVIOUS BALANCE (11/30/06)	\$ 20,491.92
12/31/2007 Interest	166.04
1/2/2007 Transfer to Checking Account	-10,000.00
6/31/2007 Interest	242.97
12/16/2007 Interest	114.85
ENDING BALANCE – (Matured 12/16/07; new maturity date 12/16/08)	\$ 11,015.78

Treasurer Dan McIntosh presented the Treasurer’s Report. A motion to transfer the \$11,015.78 balance of the 12 month Certificate of Deposit to the CCRC Checking Account and the CCRC Special Account was made by Commissioner Jack Cooley and seconded by Commissioner Norm Lust. Motion carried on a roll call vote:

Ayes: Commissioners Scott Busick, Fred Diehl, H. Allen Jr., Jack Cooley, Frank Riley, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternate Lyle Persels.

A motion to approve the Treasurer’s Report and pay the bills as presented was made by Commissioner Fred Diehl and seconded by Commissioner Frank Riley. Motion carried on a roll call vote:

Ayes: Commissioners Scott Busick, Fred Diehl, H. Allen Jr., Jack Cooley, Frank Riley, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternate Lyle Persels.

NEW BUSINESS:

Due to CCRC Attorney Marion James late arrival, Chairman Sandy Kale moved to item #IX on the agenda.

USDA NRCS UPDATE

USDA Natural Resource Conservation Service (NRCS) Water Resources Planning Leader Dave Beck thanked the CCRC for entering into the *Reimbursable Agreement between the USDA Natural Resources Conservation Service and the Clarke County Reservoir Commission*. Mr. Beck reported that NRCS is working towards a draft plan and hopes to have it ready for public review around June 1, 2008 with the public meeting open house held the last of June. Notices will be mailed out to over two hundred (200) people including all names on the CCRC mailing list, landowners, state, federal and local agencies and anyone else interested in the CCRC project. Mr. Beck announced the new State Conservationist, Richard Sims, will begin his duties on June 22, 2008. Commissioner Dan McIntosh suggested the CCRC introduce their project to Mr. Sims as soon as he is settled into his new position.

RESOLUTION: DETERMINING SURFACE DRINKING WATER CAPACITY NEEDS

CCRC Attorney Marion James reminded the Commission that in 2006 the new amendment to the eminent domain law requires an agency to show a need for water to justify the acquisition of land for the purposes of constructing a reservoir. Mr. James presented a *RESOLUTION FINDING UPDATED NEED FOR INCREASED DRINKING WATER SUPPLY* based on the “Future Water Demands Study” report by Howard R. Green Company that was completed in March 2008 and the Southern Iowa Rural Water Association’s (SIRWA) “Water Needs Assessment” study prepared by Garden & Associates, LTD. completed in January 31, 2007.

According to the “Future Water Demands Study” report, “the current average daily raw water demand of 1,271,000 gallons (for Osceola) is approximately 93% of the West Lake average withdrawal capacity. Therefore, current demand is limited in growth (for Osceola) if the average withdrawal capacity of 1,370,000

gallons per day from West Lake is not to be exceeded.” With the growth and demand projections described in the report, the average daily raw water demand for Osceola Water Works is projected to exceed the current average withdrawal capacity from West Lake (1,370,000) in Year 2010, the report states.

SIRWA is committed to supply drinking water in quantities that currently exceed the capacity of three (3) of the SIRWA drinking water supplies. SIRWA’s current total drinking water needs exceed the combined capacity supplied by the five (5) Water Purchasing Agencies. On the basis on these studies, there is a water need of three million (3,000,000) gallons a day which shows that more water is needed immediately to meet the drinking water needs of the SIRWA Service Area.

Commissioner Dan McIntosh moved to approve this Resolution and seconded by Commission Fred Diehl. Motion carried on a roll call vote:

Ayes: Commissioners Scott Busick, Fred Diehl, H. Allen Jr., Jack Cooley, Frank Riley, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternate Lyle Persels.

RESOLUTION: SELECTING A LAKE AS A PRUDENT AND FEASIBLE ALTERNATIVE TO PROVISION OF A DRINKING WATER SOURCE

This Resolution is also required by the new eminent domain law by looking at other alternatives to meet the demand for an additional water source. CCRC Attorney Marion James presented a *RESOLUTION DETERMINING THAT CREATION OF A LAKE IS REASONABLE AND NECESSARY FOR A DRINKING WATER SOURCE* based on the study titled, “Future Water Demands, Clarke County Reservoir Commission, Osceola, Iowa,” prepared by Howard R. Green Company, engineers, completed in March 6, 2008, and the “Water Needs Assessment for the Southern Iowa Rural Water Association,” prepared by Garden & Associates, Ltd., engineers, completed January 31, 2007. The Clarke County Reservoir Commission has determined that an additional source of drinking water must be found to meet the current and future drinking needs of the service area and the member units of local governments represented by the Clarke County Reservoir Commission with a capacity of at least three million gallons per day. In July 2007, the Natural Resource Conservation Service (NRCS), through its registered professional engineers, conducted a review of prudent and feasible alternatives for the provision of drinking water. These studies conclude that the least expensive alternative would be to construct a new raw water reservoir which would result in similar processes and operations of the existing system. The existing conventional treatment processes would be expanded to accommodate the increased demands and the existing distribution system would be operated as it currently is. The raw water source from West Lake would need to be maintained beyond Year 2037 to get to the 50-year design at Year 2058 using both West Lake and the new reservoir.

A motion to approve a *RESOLUTION DETERMINING THAT CREATION OF A LAKE IS REASONABLE AND NECESSARY FOR A DRINKING WATER SOURCE* was made by Commissioner Jack Cooley and seconded by Scott Busick. Motion carried on a roll call vote:

Ayes: Commissioners Scott Busick, Fred Diehl, H. Allen Jr., Jack Cooley, Frank Riley, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternate Lyle Persels

INTERGOVERNMENTAL AGREEMENT FOR SALES TAX RECEIPTS

CCRC Attorney Marion James presented a tentative agreement that pertains to the disposition of sales tax receipts *INTERGOVERNMENTAL AGREEMENT BY CLARKE COUNTY, CITY OF OSCEOLA, CITY OF WOODBURN, AND CLARKE COUNTY RESERVOIR COMMISSION REGARDING USE OF SALES TAX RECEIPTS FOR RESERVOIR TO MEET WATER NEEDS*. This agreement states that Clarke County, the City of Osceola, the City of Woodburn and the Clarke County Reservoir Commission, pursuant to Iowa Code

Chapter 28E (2008) effective retroactive to January 1, 2008, hereby enter into this agreement regarding the disposition of sales tax receipts for the construction of a reservoir to meet the need for a surface source of drinking water. The sales tax receipts that have already been collected plus interest are being held in a separate account by the Clarke County Auditor to be expended only by the Clarke County Reservoir Commission for expenditures for design, construct, equip, and maintain the Clarke County Reservoir and related infrastructure until such time as all debt incurred is fully paid.

Pursuant to this agreement, and the authority granted by Iowa Code Chapter 423B, Clarke County shall issue both long and short term local option sales and services tax revenue bonds and pledge the revenue hereby assigned by the parties to the payment of interest and principal thereof.

Commissioner Fred Diehl moved to approve this tentative *INTERGOVERNMENTAL AGREEMENT* subject to final approval given by the CCRC Finance Committee, Clarke County, City of Osceola and the City of Woodburn, their attorneys and that the sales tax funds not be co-mingled but deposited by the Clarke County Auditor into a separate interest bearing account to be used only by the CCRC. Commissioner Harold Allen Jr. seconded the motion. Motion carried with the following roll call votes:

Ayes: Commissioners Scott Busick, Fred Diehl, H. Allen Jr., Jack Cooley, Frank Riley, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternate Lyle Persels

A report of these funds will be given quarterly to the CCRC.

SPONSOR REPORTS

The Osceola Water Board reported that they were maintaining their water usage. There were no reports from any other sponsor.

INDEPENDENT CONTRACTOR AGREEMENT FOR LAND ACQUISITION COORDINATOR

Commissioner Norm Lust presented the proposed *CCRC Hiring process & Time lines schedule* for hiring a Land Negotiator and Land Appraiser. CCRC Attorney Marion James commented that this time line schedule does not need to be approved by the CCRC.

Commissioner Norm Lust presented the *CLARKE COUNTY RESERVOIR COMMISSION AGREEMENT FOR SERVICES OF LAND ACQUISITION COORDINATOR*. Mr. Lust stated that this coordinator will be an independent contractor. This document is an agreement regarding land acquisition and relocation services to effectuate the public purpose of the Intergovernmental Agreement creating the Clarke County Reservoir Commission for the accelerated development of a reservoir located in Clarke County, Iowa, to address the need of the member units of local government of the Clarke County Reservoir Commission for a sustainable supply of potable water. Commissioner Dan McIntosh moved to approve the *CLARKE COUNTY RESERVOIR COMMISSION AGREEMENT FOR SERVICES OF LAND ACQUISITION COORDINATOR*. Commissioner Fred Diehl seconded the motion. The motion carried with roll call vote:

Ayes: Commissioners Scott Busick, Fred Diehl, H. Allen Jr., Jack Cooley, Frank Riley, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternate Lyle Persels.

INFORMATIONAL ACTIVITY

Commissioner Dan McIntosh presented a Clarke County Water Supply Site 4B Proposed Recreational Development Map which showed the location of the eight (8) houses, which are within the required purchase

line, out of thirty-three (33) landowners that would be affected. Due to the eminent domain law, we are unable to talk to the landowners at this time.

USDA NRCS Coordinator Dennis Hilger suggested forming a media committee to keep the public informed of the progress of the CCRC. No action was taken by the commissioners.

PROJECT TIMELINE

NRCS RC&D Coordinator Dennis Hilgar presented an excel spreadsheet **draft** of the *Timeline for the Clarke County Reservoir Commission*. Mr. Hilger complimented CCRC Attorney Marion James on the fine work he has been doing. Chairperson Sandy Kale suggested thinking this Timeline over and not making any decisions today. Mrs. Kale also appointed a committee of Anne Welker, Frank Riley and Anita Foland to seek advice on media presentations.

OTHER ITEMS TO BE DISCUSSED BY COMMISSION MEMBERS

CCRC Attorney Marion James discussed the *Clarke County Reservoir Commission Site Selection Procedure* timeline that he and Daniel Shepherd compiled that focus's on the steps in preparation for the site selection hearing that Mr. James anticipates will be held in July.

OPPORTUNITY FOR CITIZENS TO ADDRESS THE BOARD

Landowner Doug Robbins requested the total amount CCRC has paid to the Ahlers Law Firm. Treasurer Dan McIntosh will take care of this request.

CLOSED SESSION TO DISCUSS PENDING LITIGATION

Chairperson Sandy Kale announced that members of the Commission would have to move into closed session to discuss pending litigation. At 10:13 a.m., Commissioner Fred Diehl moved to go into closed session to discuss pending litigation. Commissioner Frank Riley seconded the motion. Motion carried by a roll call vote:

Ayes: Commissioners Scott Busick, Fred Diehl, H. Allen Jr., Jack Cooley, Frank Riley, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternate Lyle Persels

CONSIDERATION OF MATTERS ARISING FROM CLOSED SESSION

At 10:32 a.m. the Commission came out of closed session to continue action on remaining agenda items. Chairperson Sandy Kale took roll call. There were no matters arising from closed session to present for discussion.

ADJOURN MEETING

Upon motion made by Commissioner Dan McIntosh, seconded by Commissioner Norm Lust, the meeting was adjourned at 10:34 a.m. Motion carried with a roll call vote:

Ayes: Commissioners Scott Busick, Fred Diehl, H. Allen Jr., Jack Cooley, Frank Riley, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternate Lyle Persels

Secretary

APPROVED

THE NEXT MEETING OF THE CLARKE COUNTY RESERVOIR COMMISSION WAS SCHEDULED FOR THURSDAY, MAY 8, 2008 AT 9:00 A.M. AT THE CLARKE COUNTY DEVELOPMENT OFFICE, 115 EAST WASHINGTON STREET, OSCEOLA, IA.

April 10, 2008