

**CLARKE COUNTY RESERVOIR COMMISSION**  
**AMERICAN STATE BANK**  
**Thursday, March 6, 2008**  
**9:00 a.m.**

Sandy Kale, Chairperson  
Jack Cooley, Vice-Chairperson  
Rick Buesch  
Alternate Charles Morgan  
Alternate Anita Foland  
Norm Lust  
Scott Busick  
Harold Allen, Jr.  
Anne Welker  
Dan McIntosh

Jeannie Crees  
Bob Horton  
Don Reasoner  
Mark Duben  
Daniel Shepherd  
Mark McCurdy  
Rex Ramsey  
Travis R. Squires  
Susan Judkins  
Chip Schultz  
Larry Burger  
Mary E. Halstrum  
William A. Kelly  
Kathy Kelly  
Cindy Sanford  
Bill Mullins  
Judy Mullins  
Beverly Raymond  
Merle Klein  
Trenton Denney  
Courtney Denney  
Jerry Webb  
Elizabeth Simpson  
Noel C. Friday  
Marion James  
Kathy Flam  
Dennis Hilger

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

Murray City Council  
Osceola Water Board  
Clarke County Supervisor  
Howard R. Green Company  
SIRWA  
USDA NRCS  
Piper Jaffray  
Piper Jaffray  
Piper Jaffray  
Ruan Securities  
Speer Financial  
Sentinel-Tribune Newspaper, Managing Editor  
Osceola City Administrator  
Landowner  
Landowner  
Landowner  
Landowner  
Landowner  
Landowner  
Landowner  
Landowner  
Landowner  
Landowner  
Citizen  
Citizen  
Citizen  
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 9:05 a.m. Eight Commissioners and two alternates responded to roll call.

**APPROVE AGENDA**

A motion to approve the agenda as written was made by Alternate Charles Morgan and seconded by Commissioner Anne Welker. Motion carried with a roll call vote:

Ayes: Commissioners Scott Busick, H. Allen Jr., Jack Cooley, Rick Buesch, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternates Charles Morgan and Anita Foland..

**APPROVE FEBRUARY 14, 2008 MEETING MINUTES**

Motion was made by Commissioner Norm Lust and seconded by Commissioner Dan McIntosh to approve the February 14, 2008 meeting minutes. Motion carried with roll call vote:

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

Abstain: Alternate Charles Morgan

**TREASURER'S REPORT**

**TREASURER'S REPORT  
Clarke County Reservoir Commission  
March 6, 2008**

<b><u>CHECKING ACCOUNT</u></b>		
<b>PREVIOUS BALANCE</b> (February 14, 2008)		<b>\$1,651.86</b>
<b>REVENUE RECEIVED</b>		
02/29/2008 Interest Received for February 2008	.61	
<b>TOTAL REVENUE RECEIVED</b>		<b>.61</b>
<b>CASH BALANCE</b>		<b>\$1,652.47</b>
<b>EXPENSES PRESENTED FOR PAYMENT</b>		
<b>TOTAL EXPENSES</b>	.00	
<b>ENDING BALANCE (March 6, 2008)</b>		<b><u>.00</u></b> <b>\$1,652.47</b>

<b><u>SPECIAL ACCOUNT</u></b>	
<b>(Opened 7/26/2007)</b>	
<b>PREVIOUS BALANCE</b> (February 14, 2008)	<b>\$30,487.30</b>
<b>REVENUE RECEIVED</b>	
02/29/2008 Interest for February 2008	<u>45.26</u>
<b>TOTAL REVENUE RECEIVED</b>	<b><u>45.26</u></b>
<b>CASH BALANCE</b>	<b>\$30,532.56</b>
<b>EXPENSES PRESENTED FOR PAYMENT</b>	
3/6/2008 Howard R. Green – Prudent & Feasible Alternatives Study	14,120.75
3/6/2008 Howard R. Green – Water Demand Study	4,751.00
3/6/2008 Ahlers & Cooney, P.C. – legal service Jan.-Feb. 2008	<u>3,608.81</u>
<b>TOTAL EXPENSES</b>	<b><u>\$22,480.56</u></b>
<b>ENDING BALANCE</b> (March 6, 2008)	<b>\$8,052.00</b>

<b>12 MONTH CERTIFICATE OF DEPOSIT</b>	
<b>PREVIOUS BALANCE</b> (11/30/06)	<b>\$ 20,491.92</b>
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	<u>114.85</u>
<b>ENDING BALANCE</b> – (Matured 12/16/07; new maturity date 12/16/08)	<b><u>\$ 11,015.78</u></b>

Treasurer Dan McIntosh presented the Treasurer’s Report. A motion to approve the Treasurer’s report and pay the bills as presented was made by Commissioner Norm Lust and seconded by Commissioner Harold Allen, Jr. Motion carried on a roll call vote:

Ayes: Commissioners Scott Busick, H. Allen Jr., Jack Cooley, Rick Buesch, Norm Lust, Sandy Kale, Dan McIntosh and Anne Welker and Alternates Charles Morgan and Anita Foland.

**OLD BUSINESS**

**COMMITTEE REPORT ON HIRING LAND NEGOTIATOR**

Commissioner Norm Lust reported that the committee (Harold Allen, Jr., Jack Cooley and Norm Lust) had compiled the necessary information for hiring a land negotiator and have presented this information to Attorney Marion James for review. The committee could possibly have the final report written up and ready to hand out to the Commissioners at the April 10<sup>th</sup>, 2008 meeting to review and finalize.

**USDA NRCS PROPOSAL FOR REIMBURSEMENT FOR PLANNING AGREEMENT**

At the February 14, 2008 CCRC meeting, Water Resource Planning Leader Dave Beck from USDA NRCS in Des Moines presented to the Commissioners a *Reimbursable Agreement between the USDA Natural Resources Conservation Service and the Clarke County Reservoir Commission*. This agreement states the Commission will reimburse NRCS an amount not to exceed \$210,000 for expenses incurred in providing technical assistance activities as described in the Scope of Work identified in the agreement.

The Clarke County Reservoir Commission approved this agreement on February 14, 2008 contingent upon approval by the three local entities, which control the “casino sale funds,” including Osceola Water Board, City of Osceola, and Clarke County Development Board. Chairperson Sandy Kale reported that all three local entities had passed this agreement and that she had signed it and returned it to Dave Beck. Mr. Beck was pleased that the three local entities had passed this agreement and that they were working on the project.

**NEW BUSINESS:**

**ALTERNATE FOR MEMBER AT LARGE POSITION**

Chairperson Sandy Kale moved to appoint Bud Jones as the alternate for the member at large position. Commissioner Jack Cooley seconded the motion. The motion carried with roll call vote:

Ayes: Commissioners Scott Busick, H. Allen Jr., Jack Cooley, Rick Buesch, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternates Charles Morgan and Anita Foland.

**REPORT ON OSCEOLA WATER NEEDS STUDY**

Mark A. Duben, Professional Engineer with Howard R. Green Company, Des Moines, presented a report *The Future Water Demands* (for the City of Osceola and the surrounding area.). In summary, Mr. Duben reported “the water demand for Osceola Water Works is primarily based upon the demand from the City of Osceola residents and businesses and the demand from SIRWA that is distributed to the surrounding area. The current average daily raw water demand of 1,271,000 gallons is approximately 93% of the West Lake average withdrawal capacity. Therefore, current demand is limited in growth if the average withdrawal capacity of 1,370,000 gallons per day from West Lake is not to be exceeded.”

Mr. Duben also reported “future raw water demand will consist of the City of Osceola residents and businesses, SIRWA, and three additional significant demand bases: JHL Properties residential development, City of Osceola business park development and Southern Iowa BioEnergy (SIBE). The raw water demand from the City of Osceola residents and businesses is projected to increase at an annual rate of 0.5% to 1,177,000 gallons per day in 2058, and SIRWA’s demand is projected to increase at an annual rate of 3.47% to 2,039,000 gallons per day in 2058. Both the JHL Properties’ development and City of Osceola’s business park development are projected to develop over a period of forty years with a linear growth rate to equal a fully developed raw water demand of 305,000 and 707,000 gallons per day, respectively. The SIBE biodiesel facility is projected to come online in 2010 with an average raw water use of 179,000 gallons per day.”

In conclusion, Mr. Duben stated “with the growth and demand projections described previously, 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 gallons) in Year 2010, the design average withdrawal capacity from a new reservoir (3,000,000 gallons) in Year 2037, and the combined average withdrawal capacities from both reservoirs (4,370,000 gallons) in Year 2058.”

**WATER SUPPLY PRUDENT AND FEASIBLE ALTERNATIVES**

Mark A. Duben, Howard R. Green Company, presented a report on *Water Supply Prudent and Feasible Alternatives* (for the City of Osceola and the surrounding area). In summary, Mr. Duben reported “the following four alternatives for a new raw water supply for Osceola and the surrounding area with an opinion of probable construction cost:

<b>ALTERNATIVE</b>	<b>COST</b>
New Raw Water Reservoir	\$37,038,000
New Jordan Aquifer Well Field	\$78,373,000
Purchase of Water from DMWW	\$41,190,000
Purchase of Water from Rathbun Regional Water Association	\$71,279,000

Mr. Duben stated “the raw water reservoir is the least expensive alternative based on the opinion of probable construction cost, with the purchase of water from Des Moines Water Works (DMWW) being the second least expensive option. A new Jordan Aquifer well field and purchase of water from Rathbun Regional Water Association are significantly more costly than the other two alternatives. The cost of the new Jordan Aquifer well field is significantly higher due to the need to construct a new reverse osmosis (RO) treatment facility and install a long discharge pipe to carry the RO reject from the water treatment plant to the Raccoon River, nearly 34.5 miles away. In addition, the operation and maintenance costs associated with RO treatment facility and pumping the RO reject to the Raccoon River would significantly increase the cost of treating water which would be over and above the construction costs discussed in this report. Due to the differing water quality between the current West Lake source and a new Jordan Aquifer source, treating both sources simultaneously would be difficult if Osceola desired to maintain the existing West Lake source for additional capacity or as a redundant source.”

Mr. Duben also reported “the high construction cost of purchasing water from Rathbun Regional Water Association is due to the large distance of approximately 71 miles from the Osceola Water Treatment Plant (WTP) to the Rathbun plant and the need to construct a new 24-inch conveyance pipeline over the entire distance between the two facilities. The second least expensive alternative, purchasing water from DMWW, is approximately \$4.2 million more expensive than a new raw water reservoir supply. The majority of the cost associated with the purchase of water from DMWW is associated with the construction of a 34.5 mile, 24-inch conveyance pipeline from the Des Moines Water Works, Water Treatment Plant to Osceola Water Treatment Plant.”

In conclusion, Mr. Duben stated “the least expensive alternative, construction of a new raw water reservoir, would result in similar processes and operations to 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.”

**APPOINTMENT OF BOND COUNSEL**

Chairperson Sandy Kale reported the finance committee had met and recommended that CCRC hire a bonding attorney from the Ahlers Law firm due to the fact that we have previously worked with this law firm. Commissioner Dan McIntosh moved to hire Mark Cory of the Ahlers Law Firm as bond counsel for the Clarke County Reservoir Commission. Commissioner Norm Lust seconded the motion and the motion carried on a roll call vote:

Ayes: Commissioners Scott Busick, H. Allen Jr., Jack Cooley, Rick Buesch, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternates Charles Morgan and Anita Foland.

**PRESENTATIONS REGARDING SALE OF BONDS TO FINANCE PROJECT**

Presentations regarding the sale of bonds to finance the Clarke County Reservoir Commission project were presented by Rex Ramsey, Piper Jaffray & Co.; Larry Burger, Speer Financial, Inc.; and Chip Schulz, Ruan Securities. No decision was made at this time on hiring a bonding company.

**PROPOSED MAP OVERVIEW**

Commissioner Norm Lust presented an NRCS *Clarke County Water Supply Site 4B Proposed Recreational Development Map* which shows 287 acres owned by Clarke County on the south side of the lake that could be a recreational site. This map is only a proposed map showing where the DNR and Clarke County could establish a recreation area and for public input. Certain requirements will have to be met because first of all, the purpose of the lake is ‘water supply.’

**PROJECT TIMELINE**

NRCS RC&D Coordinator Dennis Hilgar presented a **draft** *Timeline for the Clarke County Reservoir Commission*. This is a \$34,000,000 project (without the Truro road being altered) and per federal cost share under PL-566, CCRC is eligible for \$16,000,000. This is the highway map to getting this cost share from the federal government with the local sponsors share \$18,000,000. This timeline begins in April 2008 through May 2009 when sponsors and NRCS State Conservationist sign the plan. Chairperson Sandy Kale requested this Timeline worksheet be set up on an excel spreadsheet and that the Commissioners review it before the April 10<sup>th</sup> meeting.

**SPONSOR REPORTS**

There were no reports from any sponsors.

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

There were no other items to be discussed by commission members.

**OPPORTUNITY FOR CITIZENS TO ADDRESS THE BOARD**

Landowner Beverly Raymond asked questions regarding access to her property. CCRC Attorney Marion James replied that the Land Negotiator would address this question when the land is purchased, but noted a landowner can not be landlocked per Iowa law.

Landowner Trent Denney wanted to know if there is an accurate map published that shows the purchase lines to end confusion for landowners. USDA NRCS Civil Engineer Mark McCurdy will work with Mr. Denney to answer his questions.

Landowner Kathy Kelly asked why there are not accurate maps showing the purchase lines, 400 ft. buffer strips, etc. USDA NRCS Mark McCurdy explained the complexity of compiling this information.

**CLOSED SESSION TO DISCUSS PENDING LITIGATION**

Due to the length of the meeting, closed session to discuss pending litigation was postponed until April 10, 2008.

**ADJOURN MEETING**

Upon motion made by Alternate Anita Foland, seconded by Commissioner Scott Busick, the meeting was adjourned at 11:40 a.m. Motion carried with a roll call vote:

Ayes: Commissioners Scott Busick, H. Allen Jr., Jack Cooley, Rick Buesch, Norm Lust, Sandy Kale, Dan McIntosh, Anne Welker and Alternates, Charles Morgan and Anita Foland.

Secretary

**THE NEXT MEETING OF THE CLARKE COUNTY RESERVOIR COMMISSION WAS SCHEDULED FOR THURSDAY, APRIL 10, 2008 AT 9:00 A.M. AT THE CLARKE COUNTY DEVELOPMENT OFFICE, 115 EAST WASHINGTON STREET, OSCEOLA, IA.**