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Date: 01/13/2012
To: Marcia Tannian, Legislative Services Agency; Joel Lunde, the Department of Management
From: Jerry Neppel - Division of Soil Conservation & Luke Donahe - Treasurer of State Office
RE: 2011 annual report for appropriations from the Rebuild Iowa Infrastructure Fund and Revenue Bonds Capitals II Fund to the Watershed Improvement Fund

Ladies and Gentlemen:

Please find attached the 2011 year end summary for the Watershed Improvement Fund. The information was provided in conjunction with the Division of Soil Conservation and the Treasurer of State's Office.

Respectfully,

A handwritten signature in cursive script that reads "Stefanie Devin".

Stefanie Devin, Deputy Treasurer

Attachments

The Watershed Improvement Fund and the Watershed Improvement Review Board (WIRB) were created in 2005. This statute is now codified in Iowa Code Chapter 466A. The purpose of the Watershed Improvement Fund is to enhance the water quality and flood prevention efforts in the state through a variety of impairment-based, locally-directed watershed improvement projects. These projects are awarded grants through a competitive application process directed by the WIRB. Appropriations to the Fund do not revert. Interest earned on the moneys on the Fund are also retained in the Fund and are used to fund projects or pay per diem and expenses of the WIRB members.

In state fiscal years 2009 (SFY2009) and 2010 (SFY2010), the Watershed Improvement Fund was appropriated \$5,000,000 from the Rebuild Iowa Infrastructure Fund (RIIF). In SFY2011, the Watershed Improvement Fund was appropriated \$2,000,000 from the Revenue Bonds Capitals II Fund (RBC2).

Table 1 lists the projects selected September 12, 2008 and February 27, 2009 by the WIRB utilizing the SFY2009 RIIF appropriation. Table 2 lists the projects selected September 21, 2009 and February 19, 2010 by the WIRB utilizing the SFY2010 RIIF appropriation. Table 3 lists the projects selected July 23, 2010 and November 5, 2010 by the WIRB utilizing the SFY2011 RCB2 appropriation. The tables includes the project name, a brief description of the project, estimated total cost of the project, RIIF or Revenue Bonds awarded, other revenue sources, RIIF or Revenue Bonds expended, RIIF or Revenue Bonds obligated or encumbered, project status and project completion date.

In 2011, changes were made in the authorizing legislation to allow the WIRB to fund a nutrient mass balance study to be conducted by the Iowa Department of Agriculture and Land Stewardship in cooperation with Iowa State University College of Agriculture and Life Sciences. The WIRB approved \$50,000 at their September 9, 2011 meeting to complete this study.

Additional information on these projects can be found at:

<http://www.iowaagriculture.gov/IWIRB.asp>

Per 466A.2, a Watershed Improvement Fund is created in the State Treasury, which shall be administered by the Treasurer of State upon the direction of the Watershed Improvement Review Board. At the end of this report is a summary of the Revenues and Expenses related to the Watershed Fund as of December 31, 2011.

If you would have any questions related to the information presented please feel free to contact Jerry Neppel with the Division of Soil Conservation @ 515-281-3599 or Luke Donahue with the Treasurer of State @ 515-281-4051.

Table 1. State Fiscal Year 2009 Watershed Improvement Fund Appropriations From RILE

Project Number	Watershed Name	Project Description	Total Estimated Cost (\$)	RILE Award (\$)	Other Revenue Sources	RILE Expended (\$)	RILE Obligated or Encumbered	Project Status	Completion Date
8004-001	Summit Lake	Protect eroding shoreline of lake and install erosion control practices to reduce sediment delivery	\$678,590	\$499,117	Landowners, City of Creston, Natural Resources Conservation Service, Union Soil and Water Conservation District, Union County, Southern Iowa Rural Water, Creston High School, Southwestern Community College	\$170,747	\$322,370	final report being prepared	12/31/2011
8005-002	Silver Lake	Provide incentives to landowners to enroll in the USDA Wetland Reserve Program	\$5,690,560	\$474,540	Clean Water Alliance, Silver Lake Park Improvement Association, Wetland Reserve Program, Phasants Forever, Dickinson Water Quality Commission, EPA 319, Watershed Protection Program	\$138,995	\$335,545	final report being prepared	12/31/2011
8006-003	East Okoboji Lake	Implement low impact development practices as part of a street improvement project to reduce urban stormwater runoff to East Okoboji Lake	\$3,318,358	\$386,000	Homeowners, Dickinson County, Dickinson Soil and Water Conservation District, Water Quality Commission	\$336,117	\$49,893	final report being prepared	1/31/2012
8008-004	Rathbun Lake	Install sediment control practices in one priority sub watershed of Rathbun Lake Watershed	\$955,552	\$245,279	Landowners, EPA 319, Watershed Protection Fund, Water Protection Fund, Environmental Quality Incentives Program, Rathbun Rural Water Association	\$138,635	\$106,644	in progress	1/31/2012
8009-005	Storm Lake	Install a fish barrier, pumping station and water control structure between Little Storm Lake and Storm Lake to allow improved water level management and management nuisance fish populations	\$400,000	\$200,000	Iowa Department of Natural Resources Lakes Restoration Program, City of Storm Lake	\$29,460	\$170,540	in progress	1/31/2012
8010-006	Camp Creek	Install sediment control practices, dredge Thomas Mitchell Pond and purchase land to apply practices	\$394,279	\$275,514	Polk County Conservation Board, Natural Resources Conservation Service, Iowa Department of Agriculture and Land Stewardship	\$61,700	\$213,814	final report being prepared	12/31/2011
8011-007	Ludlow Creek	Install practices to reduce sediment and animal waste from being delivered to Yellow River	\$1,334,050	\$469,300	Landowners, Wildlife Habitat Incentives Program, Environmental Quality Incentives Program, Natural Resources Conservation Service, Iowa Department of Natural Resources, Citizens for Clean Water, Allamakee Soil and Water Conservation District	\$387,474	\$108,826	final report being prepared	12/31/2011
8012-008	Lake Morris	Improve water quality in Lake Morris through the installation of a variety of best management practices	\$562,500	\$462,375	Landowners, City of Chariton, Chariton Water Department	\$346,566	\$115,809	final report being prepared	12/31/2011
8013-009	Muchakinock Creek	Reclaim three abandoned mine land sites	\$2,450,000	\$424,545	Iowa Department of Agriculture and Land Stewardship, Pathfinders Resource Conservation and Development	\$334,000	\$90,545	in progress	1/31/2012
8018-010	Walnut Creek	Install sediment control practices in priority areas to reduce sediment delivery to Walnut Creek	\$2,251,920	\$489,455	Landowners, Hungry Canyons Alliance, Potawatamie Local Option Sales Tax, Environmental Quality Incentives Program, Conservation Reserve Program, EPA 319, Watershed Protection Fund	\$423,117	\$66,338	in progress	6/30/2012
8019-011	Staff and Beaver Creeks	Install a variety of practices to reduce sediment delivery and nutrient transport to Staff and Beaver Creeks	\$1,078,798	\$392,950	Landowners, Environmental Quality Incentives Program, Conservation Reserve Program, Resource Enhancement and Protection Program	\$197,754	\$195,196	in progress	6/30/2012
8021-012	Sands Timber	Install sediment control practices to reduce sediment delivery to Sands Timber Lake	\$1,376,426	\$499,751	Landowners, Resource Enhancement and Protection Program, Environmental Quality Incentives Program, Conservation Reserve Program, Taylor County Conservation Board, EPA 319, Watershed Protection Program, Taylor Soil and Water Conservation District	\$178,348	\$321,403	in progress	6/30/2012

Table 1 (continued). State Fiscal Year 2009 Watershed Improvement Fund Appropriations From RIF

Project Number	Watershed Name	Project Description	Total Estimated Cost (\$)	RIF Award (\$)	Other Revenue Sources	RIF Expended (\$)	RIF Obligated or Encumbered	Project Status	Completion Date
8023-013	DMACC Lake	Install a variety of urban stormwater management and stream restoration practices to improve the water quality in DMACC Lake	\$1,721,359	\$500,000	Des Moines Area Community College	\$500,000	\$0	project complete	4/30/2012
8024-014	Duck Creek	Install stream buffers and implement an information marketing campaign promoting the value of stream buffers and practices citizens can do to improve water quality in Duck Creek.	\$123,408	\$60,392	River Action Inc, City of Davenport, City of Bettendorf	\$60,392	\$0	final report being prepared	12/31/2011
8025-015	Remsen Source Water Protection	Purchase land and seed to native grasses to protect and enhance the source water for the City of Remsen	\$215,385	\$179,440	City of Remsen, Pheasants Forever, Iowa Department of Natural Resources Source Water Protection Program	\$179,440	\$0	project complete	4/7/2012
8027-016	Compelme Creek	Install a variety of urban and rural practices to improve the water quality in Compelme Creek	\$828,350	\$199,530	Landowners, Water Protection Fund, Watershed Protection Fund, Resource Enhancement and Protection Program, Environmental Quality Incentives Program	\$65,489	\$134,041	In progress	6/30/2012
Totals			\$23,379,535	\$5,779,188		\$3,548,234	\$2,230,954		

Table 2. State Fiscal Year 2010 Watershed Improvement Fund Appropriations From RLIIF

Project Number	Watershed Name	Project Description	Total Estimated Cost (\$)	RIIF Award (\$)	Other Revenue Sources	RIIF Expended (\$)	RIIF Obligated or Encumbered	Project Status	Completion Date
9002-001	Indian Springs Pond Watershed Project	Install a variety of urban and rural practices to reduce sediment and other pollutants from entering Indian Springs Pond.	\$817,540	\$201,660	landowners, Environmental Quality Incentives Program, Waukon Economic Development, City of Waukon, Natural Resources Conservation Service, Iowa Department of Natural Resources, Iowa Department of Transportation, Resource Conservation and Development for Northeast Iowa, Allamakee Soil and Water Conservation District	\$42,837	\$158,823	In progress	12/31/2012
9005-002	Silver Creek	Install erosion control practices and livestock management practices to reduce sediment, ammonia and bacteria from entering Silver Creek.	\$1,300,100	\$365,950	landowners, Water Protection Fund, Watershed Protection Fund, EPA 319, Conservation Reserve Program, Environmental Quality Incentives Program, Iowa Financial Incentives Program	\$66,017	\$299,933	In progress	12/31/2013
9006-003	Bear Creek Watershed	Improve the fishery of Bear Creek by reducing livestock manure, sediment and nutrient loading to the creek using a variety of practices.	\$791,100	\$347,950	landowners, Conservation Reserve Program, Environmental Quality Incentives Program, Division of Soil Conservation	\$131,156	\$216,794	In progress	12/31/2011
9007-004	Upper Buffalo Creek Watershed	Install structural and management practices in the watershed to reduce pollutant loading to Upper Buffalo Creek.	\$1,234,181	\$494,569	landowners, Conservation Reserve Program, Environmental Quality Incentives Program, Natural Resources Conservation Service	\$97,779	\$396,790	In progress	12/31/2013
9008-005	Hewitt Creek Watershed	Install structural and management practices to reduce pollutant loading to Hewitt Creek in order to remove the creek from the impaired waters list.	\$896,007	\$482,035	landowners, Iowa State University, Upper Iowa University, watershed council	\$80,825	\$401,210	In progress	12/31/2014
9009-006	Lost Creek Watershed	Install grade stabilization structures and terraces and management practices to reduce sedimentation of Lost Creek.	\$987,300	\$445,800	landowners, Environmental Quality Incentives Program, Iowa Financial Incentives Program, Conservation Reserve Program	\$19,435	\$426,365	In progress	12/31/2013
9010-007	Hawthorn Lake	Install sediment-reducing structural practices in the watershed, stabilize eroding shoreline and implement in lake management practices to improve the fishery of Hawthorn Lake.	\$977,000	\$360,900	landowners, Publicly-Owned Lakes Program, Lake Restoration Program, Malaska Soil and Water Conservation District, Department of Natural Resources Fisheries Bureau	\$122,597	\$238,303	In progress	12/31/2013
9011-008	Walnut Creek Watershed	Install various structural and management practices in the watershed to reduce sediment delivery to Walnut Creek and improve the biologic condition of the water.	\$1,714,276	\$213,000	landowners, Environmental Quality Incentives Program, Water Protection Fund, Watershed Protection Fund, EPA 319	\$29,509	\$183,491	In progress	6/30/2013
9012-009	Little River Lake	Reduce sediment and nutrient delivery to Little River Lake to obtain "Fully Supported" status of the lake for aquatic life, reduce potable water treatment costs and restore a viable sport fishery in the lake.	\$1,332,108	\$423,900	landowners: Environmental Quality Incentives Program; Iowa Financial Incentives Program; Conservation Reserve Program; Resource Enhancement and Protection and numerous local, state and federal partners	\$164,490	\$259,410	In progress	12/31/2012
9014-010	Lyle Creek	Install and septic collection and treatment system for the unsewered community of Leisure Lake.	\$3,100,000	\$391,753	Eastern Iowa Regional Utility Service Systems	\$17,128	\$374,625	In progress	6/30/2012
9018-011	Rathbun Lake Watershed	Install sediment-reducing structural practices in targeted areas of five priority subwatersheds to reduce sediment delivery 6,000 tons to Rathbun Lake and it's tributaries	\$2,713,610	\$491,800	landowners, Water Protection Fund, Watershed Protection Fund, EPA 319, Natural Resources Conservation Service, Rathbun Regional Water Association	\$124,075	\$367,725	In progress	12/31/2014
9020-012	Fox River	Install a variety of structural and management practices on cropland and pastureland to reduce sediment delivery to Fox River.	\$2,031,800	\$493,750	landowners, Watershed Protection Fund, EPA 319, Environmental Quality Incentives Program	\$159,500	\$334,250	In progress	12/31/2014
9025-013	Beaver Creek Watershed	Replace a network of concrete stormwater flumes with a series of bio-retention structures and other practices to improve water quality and reduce the volume of stormwater runoff in an urbanized watershed.			City of Johnston	\$0	\$0	cancelled 2-22-2011	12/31/2011

Table 2. (continued) State Fiscal Year 2010 Watershed Improvement Fund Appropriations From RILF

Project Number	Watershed Name	Project Description	Total Estimated Cost (\$)	RILF Award (\$)	Other Revenue Sources	RILF Expended (\$)	RILF Obligated or Encumbered	Project Status	Completion Date
9029-014	Tributary B Four Mile Creek	Through stream restoration and the installation of various water quality enhancement practices, decrease the volume of runoff and reduce sediment and nutrient delivery to Tributary B and Four Mile Creek.	\$409,540	\$169,800	City of Ankeny, I-Jobs, Polk Soil and Water Conservation District	\$157,360	\$12,440	In progress	10/31/2011
9029-015	Other Creek Watershed	Convert six city blocks of impervious streets and sidewalk into a porous paver system. Peak discharge rate will decrease 95% from the area. Infiltrating the runoff will remove pollutants and cool the water before it discharges into the coldwater trout stream of Other Creek.	\$3,232,245	\$500,000	City of West Union, I-Jobs, Iowa Department of Transportation, Iowa Great Places, Iowa Department of Economic Development, Main Street West Union, Fayette Soil and Water Conservation District		\$500,000	In progress	12/31/2011
9031-016	Duck Creek Watershed	Increase urban stormwater infiltration through the installation of permeable pavement and reduce peak storm discharge from a tributary to Duck Creek.	\$1,696,517	\$400,000	City of Davenport, St. Ambrose University	\$0	\$400,000	In progress	7/1/2013
9032-017	Miller Creek Watershed	Install a variety of practices in identified priority areas to reduce sediment delivery and improve the water quality entering Miller Creek.	\$661,000	\$255,300	Landowners, Environmental Quality Incentives Program, Iowa Financial Incentives Program, Conservation Reserve Program, Natural Resources Conservation Service, Division of Soil Conservation	\$65,581	\$189,719	In progress	12/31/2013
9033-018	Camp Creek Watershed	Install highly effective practices to targeted high sediment delivery areas in Camp Creek Watershed and maintain the practices using conservation easements.	\$706,000	\$322,500	Landowners, Growing Green Communities, Metro Waste Authority, Environmental Quality Incentives Program, Natural Resources Conservation Service	\$70,000	\$252,500	In progress	3/31/2013
Totals			\$24,400,324	\$6,360,667		\$1,348,289	\$5,012,378		

Table 3. State Fiscal Year 2011 Watershed Improvement Fund Appropriations From RBC2

Watershed Name	Project Description	Total Estimated Cost (\$)	RBC2 Award (\$)	Other Revenue Sources	RBC2 Expended (\$)	RBC2 Obligated or Encumbered	Project Status	Completion Date
Williamson Pond Watershed	Install sediment control practices to improve the water quality of Williamson Pond.	\$424,750	\$116,500	landowners, EPA 319, Publicly Owned Lakes Southern Iowa Development and Conservation Authority	\$6,000	\$110,500	In-progress, awaiting easements	12/31/2012
Rathbun Lake Watershed	Construct five (5) large sediment basins in targeted priority areas to reduce sedimentation of Rathbun Lake.	\$380,550	\$200,000	landowners, EPA 319, Rathbun Regional Water Association	\$0	\$200,000	landowner contracts made	10/31/2014
White Oak Lake Watershed	Construct a wetland immediately upstream of White Oak Lake on the main tributary to trap sediment and nutrients and prevent them from entering the lake.	\$204,950	\$100,000	Mathiasia County Conservation Board, EPA 319	\$0	\$100,000	construction under way, need to seed	12/31/2012
Lost Island Lake Watershed	Improve the water quality of Lost Island Lake through structural and cultural methods.	\$937,000	\$180,000	Palo Alto County, Iowa Department of Natural Resources, Ducks Unlimited, Lost Island Protective Association	\$162,000	\$18,000	writing final report	12/31/2011
Bloody Run Creek Watershed	Construct a flood detention structure to reduce peak runoff events through a portion of the City of Marquette.	\$713,050	\$200,000	City of Marquette	\$200,000	\$0	writing final report	12/1/2011
Competine Creek Partnership Watershed Project	Install water quality improvement practices in priority areas to reduce sedimentation to Competine Creek by 3,800 tons per year.	\$981,326	\$199,250	landowners, Watershed Protection Fund, Iowa Financial Incentives Program, Conservation Reserve Program, Environmental Quality Incentive Program, Resource Enhancement and Protection Program, Iowa State University, Southern Iowa Development and Conservation Authority	\$55,165	\$164,085	landowner contacts made, practices being constructed	2/28/2013
Yellow River Headwaters Watershed	Install sediment and manure control structures in priority areas in the watershed to reduce sediment and nutrient loading to Yellow River.	\$1,403,800	\$200,000	landowners, Watershed Protection Fund, Water Protection Fund, Conservation Reserve Program, Environmental Quality Incentive Program, Natural Resources Conservation Program, Natural Resources Conservation Service, IDALS Division of Soil Conservation	\$0	\$200,000	landowner contracts made	12/31/2014
Walnut Creek Watershed	Construct terraces and grade stabilization structures in priority areas to reduce sediment delivery to Walnut Creek.	\$313,280	\$200,000	landowners, Iowa Financial Incentives Program, Conservation Reserve Program, Pheasants Forever, Natural Resources Conservation Service, IDALS Division of Soil Conservation	\$43,180	\$156,820	In-progress, practices being constructed	1/31/2014
Inland Creek Watershed	Reduce urban stormwater runoff by harvesting and reusing the water as part of the cooling system for a local business.	\$55,000	\$33,000	business owner	\$0	\$33,000	In-progress	2/28/2012
Iowa Great Lakes Targeted Watershed Project	Install sediment and water control structures in priority urban and agricultural areas to improve water quality in the Iowa Great Lakes.	\$1,586,247	\$168,500	landowners, Water Quality Commission, Dickinson SWCD, Iowa Financial Incentives Program, Natural Resources Conservation Service, EPA 319, Lakes Restoration Fund, I-Jobs	\$2,593	\$165,907	landowners and homeowners being contacted, some construction	2/28/2015
Tuttle Lake Watershed	Develop or restore wetlands and install other practices to reduce nutrient and sediment delivery to Tuttle Lake.	\$490,635	\$154,350	landowners, Emmet SWCD, Fish and Wildlife Service, Conservation Reserve Program	\$32,500	\$121,850	In-progress	12/31/2012
Des Moines Middle Watershed	Install a sewage collection and treatment system for the unsewered community of Luther.	\$2,100,000	\$200,000	I-Jobs, State Revolving Loan Fund	\$0	\$200,000	In-progress	9/30/2012
Dry Run Creek Watershed	Install bio-retention cells and a green roof to reduce urban storm water runoff and improve water quality of Dry Run Creek.	\$197,410	\$48,400	University of Northern Iowa, Watershed Protection Fund	\$0	\$48,400	In-progress	11/30/2013
Totals		\$9,787,998	\$2,000,000		\$481,438	\$1,518,562		

**Watershed Protection Fund
Iowa Infrastructure Account (D81)
Revenue & Expenses
Fiscal Year 2012**

Revenue Collected:

Intra State Transfers		\$	-
Water Protection Refunds		\$	4,299.52
Interest			
June Interest	\$		1,962.19
July Interest			1,327.21
August Interest			2,395.59
September Interest			2,123.99
October Interest			1,872.56
November Interest			1,651.16
December Interest			0.00
January Interest			0.00
February Interest			0.00
March Interest			0.00
April Interest			0.00
May Interest			0.00
Total Interest			<u>11,332.70</u>
Total Revenue Collected from July 1, 2011 through December 31, 2011			15,632.22

Expenditures:

Intra State Transfers		-	
WIRB board member per diem cost		1,842.91	
Pay Requests Approved by Board		<u>1,020,169.00</u>	
Total Expenditures from July 1, 2011 through December 31, 2011			<u>1,022,011.91</u>
Revenue minus Expenditures			\$ (1,006,379.69)
Fund Balance forward from FY 2011			\$ 6,831,286.71
Fund Balance as of December 31, 2011 (FY2012)			<u><u>\$ 5,824,907.02</u></u>

**Watershed Protection Fund
Revenue Bonds Capitals II Fund (DT4)
Revenue & Expenses
Fiscal Year 2012**

Revenue Collected:

Appropriations	\$ -
Water Protection Refunds	<u>\$ -</u>
Total Revenue Collected from July 1, 2010 through December 31, 2011	-

Expenditures:

Intra State Transfers	-
WIRB board member per diem cost	-
Pay Requests Approved by Board	<u>666,039.00</u>
Total Expenditures from July 1, 2010 through December 31, 2011	<u>666,039.00</u>
Revenue minus Expenditures	\$ (666,039.00)
Fund Balance forward from FY 2011	\$ 1,777,729.00
Fund Balance as of December 31, 2011 (FY2012)	<u><u>\$ 1,111,690.00</u></u>