

**MINUTES OF THE MAY 13, 2014  
OF THE  
WATERSHED IMPROVEMENT REVIEW BOARD MEETING  
TELECONFERENCE**

**Appointed Members in Attendance**

Robert Ballou, Chairperson, Iowa Soybean Association  
Dave Coppess, Agribusiness Association of Iowa  
Larry Gullett, Iowa Association of County Conservation Boards  
Jake Hansen, IDALS, Division of Soil Conservation  
Susan Heathcote, Iowa Environmental Council  
Steve Hopkins, Iowa Department of Natural Resources  
Carrie Keppy, Iowa Pork Producers  
Carol Sweeting, Iowa Association of Water Agencies  
Lisa Walters, Iowa Rural Water Association (Joined the meeting at 8:38 a.m.)  
Jane Weber, Conservation Districts of Iowa (Left the meeting at 8:38 a.m.)

**Appointed Members Absent**

Dennis Black, State Senator  
David Johnson, State Senator  
Jarad Klein, State Representative  
Todd Prichard, State Representative  
Greg Rinehart, Iowa Farm Bureau

**Staff and Guests**

Mary J. Baker, IDALS, Division of Soil Conservation  
Jerry Neppel, IDALS, Division of Soil Conservation  
Deb Kozel, Legislative services

**Call to Order**

The meeting of the Watershed Improvement Review Board (WIRB) was called to order at 8:05 a.m. on Tuesday, May 13, 2014, by Chairperson Ballou.

**Approval of Agenda**

**Motion 2014-46** *Moved by Weber and seconded by Hopkins to approve the Agenda and the motion was unanimously approved.*

**Approval of WIRB March 28, 2014 Meeting Minutes**

Correct the technical reviewer's name and agency to Kathleen Woida, Natural Resources Conservation Services.

**Motion 2014-47** *Moved by Weber and seconded by Hopkins to approve the amended meeting minutes and the motion was unanimously approved.*

**Approval of Treasurers Report**

IDALS Accounting Bureau staff is now tasked to complete the treasurers reports. Neppel informed WIRB of available account balances. Upper Buffalo Creek and Silver Creek are not included in the reports.

**Watershed Improvement Fund  
Iowa Infrastructure Account (D81)  
Revenue & Expenses -- Fiscal Year 2014 as of May 6, 2014**

<u>Revenue Collected:</u>		
Intra State Transfers	SFY 2014	\$0.00
Animal Agriculture Compliance Fund Penalties	SFY 2014	\$ 89,020.37
Watershed Improvement Fund Refunds	SFY2014	\$ 698,224.54
1202-002 Upper Otter Creek - recall	\$ 4,000.00	
9018-011 Rathbun Lake Watershed - recall	128,503.71	
1114-006 Walnut Creek - recall	48,271.75	
1221-010 Rathbun Lake - recall	16,624.00	
1103-002 Rathbun Lake Watershed - recall	19,842.65	
9005-002 Silver Creek - recall	56,122.43	
1240-017 Little Bear Creek Watershed - recall	13,328.00	
1231-014 Twelve Mile Creek Lake Watershed - recall	38,225.00	
1112-004 Price Creek Watershed - recall	5,743.75	
1243-020 Fox River - recall	32,842.12	
9020-012 Fox River - recall	91,601.50	
1204-003 North Fork Maquoketa - recall	7,060.30	
6033-015 Fox River - recall	594.75	
1202-002 Upper Otter Creek - recall	21,947.88	
9007-004 Upper Buffalo Creek Watershed - recall	39,374.97	
7017-006 Little Clear Lake Watershed - recall	943.50	
9006-003 Bear Creek Watershed	52,527.82	
1209-006 Waterloo Creek Watershed--recall	21,870.41	
1201-001 Sands Timber Watershed--recall	50,000.00	
1224-012 Compeline Creek Watershed--recall	48,800.00	
Interest	SFY2014	
June Interest	\$ 1,127.41	
July Interest	707.76	
August Interest	739.84	
September Interest	438.79	
October Interest	924.44	
November Interest	1,065.44	
December Interest	856.96	
January interest	789.68	
February interest	415.70	
March Interest	214.00	
April Interest	724.76	
May Interest		
Total Interest		<u>8,004.78</u>
Total Revenue Collected from July 1, 2013 through May 6, 2014		<u>\$795,249.69</u>
<u>Expenditures:</u>		
Intra State Transfers (Administrative Support in SFY 2014 originals from a different fund)		\$0.00
WIRB Per Diem and Expenses		\$0.00
Funding Requests Approved by Board: (8-7-13, 8-29-13, 9-27-2013, 11-8-2013, 1-29-2014)	744,654.64	
Funds Expended since procedure change	23,657.07	
Total Expenditures from July 1, 2013 through May 6, 2014		<u>\$768,311.71</u>
Revenue minus Expenditures		<u>\$26,937.98</u>
Fund Balance forward from FY 2013		<u>\$ 3,469,405.65</u>
Fund Balance forward as of May 6, 2014		<u><u>\$ 3,496,343.63</u></u>

**Allocations and interest available less funds set aside for existing projects**

**Revenues**

**Appropriations**

State Fiscal Years 2006, 2007, 2008, 2009, 2010, 2012 and 2013		\$26,000,000.00	
	SFY 2014	\$0.00	
Animal Agriculture Compliance Fund Penalties	SFY 2014	\$ 89,020.37	
Interest Accrued			
State Fiscal Years 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013		\$1,314,386.93	
SFY2014 (to 3-21-14)	SFY 2014	\$6,004.78	
Total Revenue Collected through May 6, 2014			\$27,411,412.08
Expenses and Funds Set Aside			
Intra State Transfers (IDALS)			
State Fiscal Years 2006, 2007, 2008, 2009 and 2010		\$250,000.00	
WIRB Per Diem and expenses SFY 2009, 2010, 2011, 2012 and 2013		\$10,227.59	
WIRB Per Diem and expenses (paid by Treasurer)	SFY 2014	\$0.00	
Subtotal		\$260,227.59	
Funds Set Aside For Approved Projects			
State Fiscal Years 2006, 2007, 2008, 2009, 2010, 2012 and 2013		\$26,494,865.15	
	SFY 2014	\$0.00	
Subtotal		\$26,494,865.15	
Total Expenses or Obligations			\$26,755,092.74
Funds Available as of May 6, 2014			\$656,319.34

**Watershed Improvement Fund  
Revenue Bonds Capitals II Fund (DT4)  
Revenue & Expenses  
Fiscal Year 2014 as of May 6, 2014**

Revenue Collected:

Appropriations	SFY14		\$0.00
Watershed Improvement Fund Refunds	SFY14		<u>\$233,587.71</u>
1014-008 Walnut Creek Watershed -- recall		\$ 2,980.71	
1004-002 Rathbun Lake Watershed -- recall		\$ 32,583.36	
9018-011J Rathbun Lake Watershed -- recall		\$ 17,237.52	
1245-021J West Tarkio River --recall		\$ 36,975.71	
1016-010 Iowa Great Lakes Targeted Watershed -- recall		\$ 55,968.51	
1241-018J Swan Lake Watershed--recall		\$ 15,000.00	
1012-007 Yellow River Headwaters--recall		\$ 69,758.33	
1017-011 Tuttle Lake Watershed		<u>\$ 3,083.57</u>	
 Total Revenue Collected from July 1, 2013 through May 6, 2014			 \$233,587.71

Expenditures:

Funding Requests Approved by Board			
8/7/2013, 9/27/13	SFY14	\$ 193,025.00	
1015-009 Indian Creek Watershed	SFY14	\$ 3,300.00	
1011-006 Competine Creek Watershed	SFY14	\$ 19,151.48	
1008-003 White Oak Lake Watershed	SFY14	\$ 7,119.00	
1003-001 Williamson Pond	SFY14	\$ 2,317.66	
1022-013 Dry Run Creek Watershed	SFY14	\$ 4,840.00	
Funds Expended since procedure change	SFY14	<u>\$ -</u>	
 Total Expenditures from July 1, 2013 through May 6, 2014			 <u>\$ 229,753.14</u>
Revenue minus Expenditures			\$ 3,834.57
Fund balance forward from SFY2013			\$ 528,812.00
Fund Balance as of May 6, 2013 (Treasurers Office)			<u>\$ 532,646.57</u>

Appropriations	SFY11	\$ 2,000,000.00	
 Total Funds Available			 \$ 2,000,000.00
Expenses and Funds Set Aside			
Funds Set Aside For Approved Projects (7-23-2010 and 11-5-2010)	SFY11	\$ 1,613,350.39	
(8-17-2012, 3-8-2013 and 5-10-2013)	SFY13	\$ 207,465.00	
(9-9-2013, 10-1-2013)	SFY14	\$ 116,106.00	
Total Expenses or Obligations			\$ 1,936,921.39
Funds Available as of May 6, 2014 (not allocated to any project)			<u>\$ 63,078.61</u>

**Watershed Improvement Fund  
(D70)  
Revenue & Expenses  
Fiscal Year 2014 through May 6, 2014**

Revenue Collected:

Appropriations		\$ 3,000,000.00
Watershed Improvement Fund Refunds	\$ -	\$ -
Total Revenue Collected from July 1, 2013 through May 6, 2014		3,000,000.00

Expenditures:

Funding Requests Approved by Board 1/29/2014	\$ 22,500.00	
Funds Expended since procedure change	8,467.93	
Expenses to be corrected - Charged to D81 (1315-006)	632.11	
Total Expenditures from July 1, 2013 through May 6, 2014		<u>\$ 31,600.04</u>
Revenue minus Expenditures		\$ 2,968,399.96
Fund Balance forward from FY 2013		\$ -
Fund Balance as of May 6, 2014		<u><u>\$ 2,968,399.96</u></u>

Appropriations	SFY14	\$ 3,000,000.00
Total Funds Available		\$ 3,000,000.00
Expenses and Funds Set Aside		
Funds Set Aside For Approved Projects (11-8-2013)	SFY14	\$ 2,307,554.00
Total Expenses or Obligations		\$ 2,307,554.00
Funds Available as of May 6, 2014		<u><u>\$ 692,446.00</u></u>

**WIRB Summary**

D81 Funds Available as of May 6, 2014	656,319.34
DT4 Funds Available as of May 6, 2014	63,078.61
D70 Funds Available as of May 6, 2014	692,446.00
Total Available Funds	<u>\$ 1,411,843.95</u>

Projects Pending Approval:

1323-011 Little Lick Creek Watershed	270,762.00
1325-012 Lake Miami Watershed	150,835.58
1328-013 Miller Creek Watershed	213,836.00
1330-014 Rapid Creek Watershed	247,650.00
1331-015 Walnut Creek Watershed	300,000.00
1335-016 Hickory Grove Lake Watershed	223,095.00
Total Pending Projects	<u>\$ 1,406,178.58</u>

Remaining Balance	<u><u>\$ 5,665.37</u></u>
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**Motion 2014-48** *Moved by Heathcote and seconded by Gullet to approve the treasurers reports and the motion was approved. Weber abstained from voting.*

Board	Yea	Nay	Abstain
Ballou	X		
Coppess	X		
Gullett	X		
Hansen	X		
Heathcote	X		
Hopkins	X		
Keppy	X		
Sweeting	X		
Weber			X
Totals	8		1

**WIRB I-JOBS Expenditures and Plan to Spend allocation by June 30, 2014**

Little River Lake and Walnut Creek Projects qualify for I-JOBS funding. Neppel asked the Board to reconfirm that the Chairperson can sign the I-JOBS contracts without coming before the Board action. I-JOBS funds can also be used to pay eligible expenditures dating back to July 1, 2013.

**Motion 2014-49** *Moved by Heathcote and seconded by Weber to allow the Chairperson to sign I-JOBS contracts without additional Board action until June 30, 2014, and the motion was unanimously approved.*

**WIRB Contract Template**

Staff from the Attorney General's Office, IDALS Administration and IDALS Accounting Bureau contributed to the draft contract template. Accounting Bureau staff requested the inclusion of an audit clause (4.6 AUDIT below). Exhibits have been added to the contract template which allow us to change the budget portion without causing modification to the contract.

**4.6 AUDIT.** Upon written request of WIRB, funds expended during the project may be audited by the State Auditor's Office. Any expenses incurred by Grantee as a result of a requested audit are allowed to be paid using WIRB grant funds, provided that the overall amount of funding specified in this agreement is not exceeded.

The cost of an audit by the State Auditor's Office is not known, but similar audits for small municipalities can be as high as \$7,000.

**Walters joined the meeting and Weber left the meeting at 8:38 a.m.**

There were inconsistencies in treasurer's reports, the financial reports submitted by SWCD staff, and our numbers in the amount of money spent on the project. Hansen and Neppel conducted internal audits at the SWCD offices. Some expenses were not categorized correctly and accounting errors in line items are resolved. It may be necessary to involve the Auditor's Office in cases where reconciliation of the paperwork cannot be completed during an internal audit.

**Motion 2014-50** *Moved by Hansen and seconded by Hopkins to approve the revised contract template and the motion was unanimously approved.*

**Motion 2014-51** *Moved by Hansen and seconded by Weber to allow the Chairperson to sign I-JOBS contracts without additional Board action and the motion was unanimously approved.*

**WIRB Administrative Changes Update**

- a. Grant recipients are required to provide salary documentation with monthly cash advances for salary.
- b. Two non-district applicants have submitted GAX forms for expenditures.
- c. Practices from some projects have been transferred to the FARMS payment and tracking system.

- d. Applicants will receive travel expense reimbursement under the same policy the WIRB follows through the State of Iowa. This is reflected in the new contract template for grantees.

IDALS provides \$50,000 for Neppel's salary and benefits to administer the WIRB Program. The remainder of Neppel's salary and benefits is subsidized by another IDALS fund.

**Legislative Update – SF2363 and HF2458**

SF2363 and HF2458 were passed by the Legislature but the Governor has not taken action on the bills. The Legislature approved \$1.5 million on SF2363 and this resource comes out of the General Fund. The Watershed Improvement Fund was not in the Governor's budget. The Governor has the authority to line item veto. Ballou encouraged WIRB to email the Governor to encourage him to sign the bills. HF2458 provides the \$50,000.00 for the administrative support of WIRB.

**1325-012 Lake Miami Revised Budget and Plan of Work**

At the March 28, 2014 WIRB meeting, the Board requested the applicant to provide a revised budget and plan of work for the new budget amount of \$150,836.58. The applicant chose sites where they could reduce the most sediment. Hansen requested the applicant submit a letter identifying the parties providing training and education, archeological studies and approval, endangered species review, and detailed activities for salary.

**Amendment**

**1215-009IJ Muchakinoek Creek**

At the March 28, 2014 meeting, Neppel recommended to cancel the project agreement because there is no staff at the SWCD to run the project. The correct process is to amend the agreement by changing the budget amount from \$78,688.00 to \$30,950.00. The difference is the amount of project funds remaining in the WIRB account at the State Treasury.

Neither IDALS nor the Auditor's Office can access the records to perform an internal audit on this project to determine the appropriateness of expenditures until the investigation by the State Troopers Office is complete. WIRB will not have any legal standing to audit the records if we cancel the contract. Once IDALS has completed an internal audit, WIRB will demand repayment of any unused funds. The I-JOBS money will likely revert.

**Motion 2014-52** *Moved by Hansen and seconded by Sweeting to rescind Motion 2014-34 approved at the March 28, 2014 meeting, and the motion was unanimously approved.*

**Motion 2014-53** *Moved by Heathcote and seconded by Hansen to amend the contract by changing the agreement amount from \$78,668.00 to \$30,950.00, and the motion was unanimously approved.*

**Final Reports**

<b>Project Name</b>	<b>Discussion</b>
9012-009 Little River Lake	<p>The applicant submitted a revised final report. The applicant added in two graphs to the report which showed less turbid water data so the project improved the water quality.</p> <p><b>Motion 2014-54</b> <i>Moved by Hopkins and seconded by Gullett to approve the final report, and the motion was unanimously approved.</i></p>
1113-005 Duck Creek	<p>The applicant corrected the errors on the final report and the project shows overall slippage of \$36,752.34. The applicant modified designs to allow more flood control over various stages, water quality improvements, and environmental improvements. Neppel will send an invoice to return funds to WIRB.</p> <p><b>Motion 2014-55</b> <i>Moved by Gullett and seconded by Hopkins to approve the final report and the motion was unanimously approved.</i></p>

**Administrative Update**

Three appointees were approved by Governor's Office: Hansen replaced Gillespie and Hopkins and Keepy were reappointed.

Representative Bruce Bearinger, District 64, sent an email requesting to replace Representative Todd Prichard, District 52. Senator Dennis Black, District 15, has retired and his WIRB Board term expires in January.

The WIRB tour is scheduled on July 8 and 9. The tour includes visiting urban practice projects, CREP wetland projects, drainage wetlands, Mississippi River Basin Initiative Projects, and an extensive cover crop project in northwestern Iowa. Neppel will email the agenda to WIRB.

There is currently a 10% funding limit for each new project. It requires amending the code to change the 10% amount.

The hard armoring of bank stabilization language was removed from the River Restoration Bill. There is money in the DNR program but the language was left out. Hopkins will meet with Nate Hoogeveen, DNR, to discuss some topic language recommendations for the next RFA.

Dr. Richard Cruze, ISU, will be invited to present his current research on soil erosion at a future WIRB meeting.

Hansen and Neppel are scheduling training sessions on RFA and project forms with applicants prior to the next RFA. More details will be presented to WIRB.

**Next Meeting(s)—schedule future meetings**

Neppel will send out a Doodle Poll for selection of the next meeting date.

**Adjourn**

*Motion 2014-56 Moved by Hopkins and seconded by Sweeting to adjourn the meeting at 9:46 a.m.*



Robert Ballou, Chair  
Watershed Improvement Review Board

Mary J. Baker, Minutes Recorder for the  
Watershed Improvement Review Board