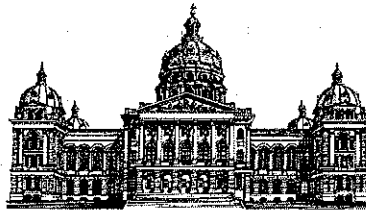


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Watershed Improvement Review Program

ISSUE

This *Issue Review* provides an overview of the Watershed Improvement Review Program.

AFFECTED AGENCIES

Department of Agriculture and Land Stewardship
State Treasurer

CODE AUTHORITY

Chapter 466A, Code of Iowa

BACKGROUND

The Watershed Improvement Review Program was established during the 2005 Legislative Session in SF 200 (Agriculture Powers, Duties, and Watershed Improvement Act). In addition to the Board, the legislation also created a Watershed Improvement Fund for Watershed Improvement Grants. The purpose of the Board is to review applications and award grants for projects that will provide for the following:

- Enhance the State's water quality by implementing locally-controlled projects to improve impaired watersheds.
- Improve the State's water resources for the purposes of drinking, agriculture, recreation, sport, and economic development.
- Encourage public participation and input for determining priorities to improve water quality. This includes projects related to agricultural runoff and drainage, stream bank erosion, municipal discharge, stormwater runoff, unsewered communities, industrial discharge, and livestock runoff.

The Board is comprised of 15-Governor appointees from agriculture groups, drinking water and wastewater utilities, environmental organizations, agribusiness, and conservation

organizations. The General Assembly also has four non-voting members with two from the Senate and two from the House. Duties of the Board include:

- Award local watershed improvement grants and monitor the progress of improvement projects. Each grant cannot exceed a three-year period for project completion and cannot receive more than 10.0% of the funds appropriated in a fiscal year.
- Assist in developing local watershed monitoring plans.
- Review the monitoring results before, during, and after completion of a project.
- Review costs and benefits of a project.
- Submit a report each year detailing the progress of projects to the Governor and the General Assembly by January 31.
- Obtain the expertise and technical assistance from outside individuals or groups when needed.

The Soil Conservation Division in the Department of Agriculture and Land Stewardship is the designated agency that provides administrative support to the Board. The Department hired Jerry Neppel, a Senior Environmental Specialist, to administer the Program. The legislation specified that the Department would receive 1.0% of the funds appropriated each fiscal year to the Watershed Improvement Fund or \$50,000, whichever is less, to pay for administrative support.

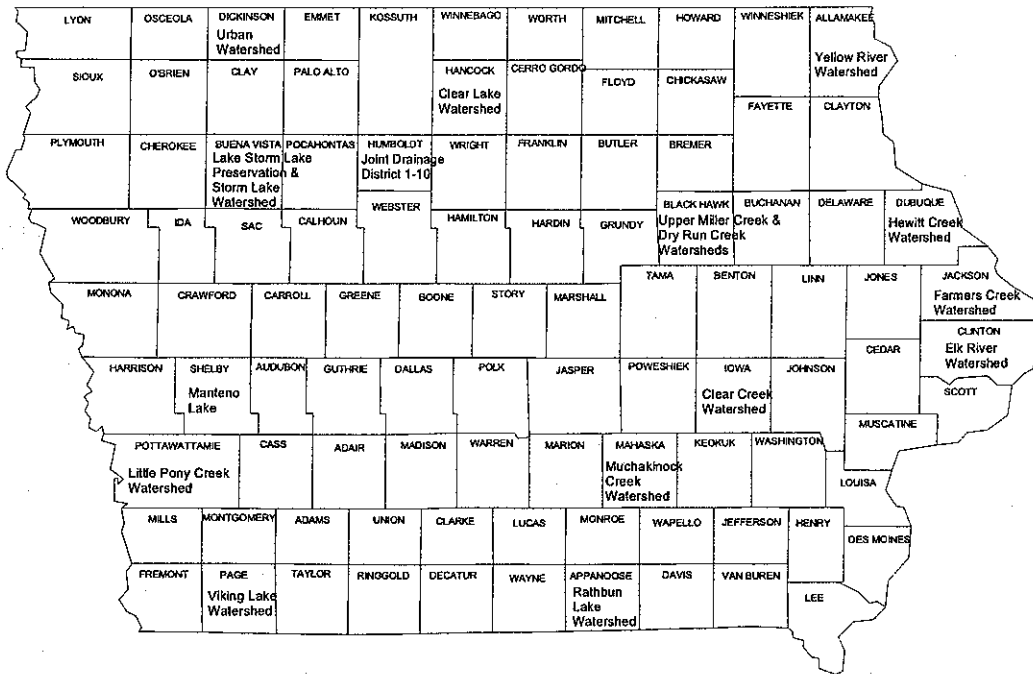
CURRENT SITUATION

The Board's first meeting was held on August 22, 2005, and Kevin Jacobson, a representative from the Iowa Rural Water Association, was elected Chairperson. The Board and the Administrative Rules Committee have also developed and approved Administrative Rules.

For FY 2006, the Board received 48 grant applications requesting \$12.7 million. There were 15 applications from non-profit organizations and 33 from Soil and Water Conservation Districts (SWCD.) The Secretary of State must recognize an organization applying for a Watershed Improvement Grant as a non-profit. The only governmental entity allowed to apply for a grant is a SWCD.

The Board met on December 19, 2005, selected 17 projects, and awarded \$4.8 million in grants for projects totaling \$14.0 million. All grant applicants must detail additional funding for the projects, although a specific match amount is not required. The following map provides the location of the grants awarded. **Attachment A** includes the FY 2006 project listing.

FY 2006 Watershed Improvement Grants Awarded



Since the December meeting, the Board has met several times to approve grant payments and to review quarterly progress reports. Grant payments are not made in a lump sum. The grantee requests the portion of funds needed to complete planned project tasks using a Watershed Improvement Funding Request form supplied by the Soil Conservation Division. This details the total budgeted amount, prior payment requests, the amount requested, funds expended to date, and the remaining budget balance. The Board reviews each request and approves, denies, or adjusts the payment to the grantee.

For FY 2007, there have been 38 applications requesting funds of \$11.7 million. The Board met on September 20, 2006, and selected 16 projects, and awarded \$4.9 million in grants for projects totaling \$18.0 million. **Attachment B** includes the FY 2007 project listing.

BUDGET IMPACT

The General Assembly appropriated \$5.0 million for FY 2006 and FY 2007 for Watershed Improvement Grants. House File 882 (FY 2006 Standing Appropriations Act) appropriated \$5.0 million from the Underground Storage Tank (UST) Fund to the Watershed Improvement Review Fund for FY 2006. For FY 2007, \$5.0 million was appropriated to the Fund from the Endowment for Iowa's Health Restricted Capitals Fund in HF 2782 (FY 2007 Infrastructure Appropriations Act).

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FY 2006 Watershed Improvement Grants Awarded Project Summary

Grant Number	Watershed Name	Organization	Completion Date	Total Project Cost	Grant Funds Awarded	Cumulative Board Approved Payments
5002-001	Little Pony Creek	West Pottawattamie SWCD	1/31/2009	\$ 358,234	\$ 215,673	\$ 70,087
5005-002	Farmers Creek Watershed	Jackson County SWCD	12/31/2007	\$ 38,250	\$ 28,738	\$ 25,864
5007-003	Hewitt Creek Watershed	Hewitt Creek Watershed Improvement Association, Inc.	12/31/2008	\$ 327,589	\$ 159,294	\$ 52,824
5008-004	Mill Picayune (Manteno Lake)	Shelby County SWCD	12/31/2008	\$ 75,000	\$ 56,250	\$ 50,625
5011-005	Yellow River Watershed	Allamakee County SWCD	12/31/2008	\$ 737,545	\$ 229,000	\$ 98,650
5017-006	Lake Storm Lake Watershed	Lake Preservation Association for Storm Lake, Inc.	12/31/2007	\$ 1,198,200	\$ 477,000	\$ 262,880
5018-007	Storm Lake Watershed Project	Buena Vista SWCD	12/31/2007	\$ 47,251	\$ 23,000	\$ 20,700
5021-008	Clear Creek Watershed	Iowa County SWCD	12/31/2008	\$ 1,009,400	\$ 500,000	\$ 58,700
5024-009	Muchakinock Creek Watershed	Mahaska County SWCD	12/31/2008	\$ 2,812,500	\$ 500,000	\$ 166,000
5028-010	Urban Watershed of Dickinson County Lakes	Dickinson County SWCD	12/31/2006	\$ 1,270,197	\$ 486,800	\$ 57,825
5031-011	Rathbun Lake Watershed	Rathbun Land & Water Alliance	12/31/2008	\$ 814,980	\$ 500,000	\$ 100,000
5035-012	Clear Lake Watershed	Hancock County SWCD	12/31/2007	\$ 450,000	\$ 225,000	\$ 50,000
5036-013	Drainage District No. 1-10	Humboldt County SWCD	1/31/2008	\$ 1,902,574	\$ 500,000	\$ 302,539
5037-014	Elk River Watershed	Clinton County SWCD	12/31/2008	\$ 1,415,705	\$ 292,045	\$ 104,608
5040-015	Viking Lake Watershed	Page 1 Rural Water District	3/31/2007	\$ 137,000	\$ 58,500	\$ 55,575
5044-016	Upper Miller Creek Watershed	Black Hawk County SWCD	1/31/2009	\$ 286,850	\$ 1,500	\$ 12,500
5046-017	Dry Run Creek Watershed	Black Hawk County SWCD	1/31/2009	\$ 1,100,900	\$ 500,000	\$ 206,646
	Total			\$ 13,982,175	\$ 4,752,800	\$ 1,696,023

SWCD = Soil and Water Conservation District

FY 2007 Watershed Improvement Grants Awarded Project Summary

Grant Number	Watershed Name	Organization	Project Length	Total Project Cost	Grant Funds Awarded
6009	Price Creek Watershed	Benton and Iowa Counties SWCD	3 years	\$ 648,717	\$ 71,075
6025	Rathbun Lake Watershed	Jackson County SWCD	3 years	\$ 1,161,550	\$ 497,100
6012	Lime Creek Project	Lime Creek Watershed Association	3 years	\$ 502,474	\$ 290,011
6017	Saylor Creek	Iowa Heartland Resource Conservation and Development	2 years	\$ 3,866,200	\$ 500,000
6018	Storm Lake Watershed Project	Buena Vista County SWCD	6 months	\$ 200,437	\$ 73,000
6033	Fox River	Fox River Ecosystems Development Board	3 years	\$ 1,974,180	\$ 414,376
6004	Big Sioux River	Lyon County SWCD	3 years	\$ 568,675	\$ 267,800
6001	Norfolk Creek Subwatershed	Allamakee County SWCD	3 years	\$ 1,435,350	\$ 351,150
6014	Lower Coldwater and Palmer Creek Watershed	Coldwater and Palmer Watershed Association	3 years	\$ 512,963	\$ 311,594
6015	Big Bear Creek	Jones County SWCD	3 years	\$ 939,991	\$ 455,313
6003	Upper Catfish Creek Watershed	Dubuque County SWCD	3 years	\$ 914,520	\$ 48,850
6031	City of Carpenter	Mitchell County SWCD	2 years	\$ 975,000	\$ 500,000
6027	Leisure Lake Watershed	Limestone Bluffs Rural Conservation District	2 years	\$ 2,907,910	\$ 500,000
6024	Joint Drainage Districts 93 and 100	LuVerne Magor Drainage Conservation Association	1 year	\$ 741,000	\$ 322,850
6034	Lake Colchester	Lakewood Village Association	3 years	\$ 502,500	\$ 247,500
6010	Holiday Lake Watershed	Poweshiek County SWCD	1 year	\$ 143,485	\$ 64,447
	Total			\$ 17,994,952	\$ 4,915,066

SWCD = Soil and Water Conservation District

