ITEM 1. Adopt the following **new** rule 605—14.12(418):

605—14.12(418) Flood Recovery Fund.

14.12(1) Purpose. A flood recovery fund is established in the state treasury under the control of the board. The fund shall consist of moneys appropriated to the fund by the general assembly and any other moneys available to, obtained by, or accepted by the board for deposit in the fund. Moneys in the fund are appropriated to the department and shall be used for the purposes designated in this section. Moneys in the fund shall not supplant any federal disaster recovery moneys. Moneys in the fund that remain unencumbered or unobligated at the close of a fiscal year shall not revert to the general fund but shall remain available for expenditure for the purposes designated in this section. Interest or earnings on moneys deposited in the fund shall be credited to the fund.

14.12(2) An eligible applicant is a political subdivision of the state located in a county designated under presidential disaster declaration DR-4421-IA and also located in a county where the federal emergency management agency individual assistance program has been activated.

14.12(3) Eligible projects must support flood response, flood recovery, or flood mitigation. Eligible project types could include construction and reconstruction of levees, embankments, impounding reservoirs, conduits, or other means that are necessary for the protection of property from the effects of floodwaters and may include the deepening, widening, alteration, change, diversion, or other improvement of watercourses if necessary for the protection of such property from the effects of floodwaters. A project may consist of one or more phases of construction or reconstruction that   are contracted for separately if the larger project, of which the project is a part, otherwise meets the requirements of this subrule.

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14.12(4) Project applications shall be submitted to the department for consideration by the board. The board shall prescribe application instructions and forms. Applications, instructions, programmatic guidance and forms are available through the department and its Web site, www.homelandsecurity.iowa.gov. Project applications shall contain all of the following:

a. Description of the project and how the project supports flood response, flood recovery, or flood mitigation activities.

b. Description of financial assistance need through the flood recovery fund.

c. Description of the necessary expense or serious need of the political subdivision.

d. Details on any additional funds to be applied to the project.

14.12(5) The board shall review the project applications. When reviewing the project applications, the board shall consider, at a minimum, all of the following:

a. Whether the project supports flood response, flood recovery, or flood mitigation activities.

b. Whether financial assistance through the flood recovery fund is essential to meet the necessary expenses or serious needs of the governmental entity related to flood response, flood recovery and flood mitigation.

Upon review of the applications, the board shall approve, defer, or deny the project application. If a project application is approved, the board shall specify the amount of financial assistance from the flood recovery fund to the political subdivision. If the board approves an application for financial assistance from the flood recovery fund, the board shall negotiate and execute on behalf of the department all necessary agreements to provide such financial assistance. If a project application is deferred or denied, the board shall state the reasons for such deferral or denial.

14.12(6) Reports. Following the approval of a project application, the political subdivision shall twice annually until the project is complete, submit a report to the board detailing the following:

a.   The current status of the project.

b.   The total expenditures and types of expenditures that have been made related to the project.

c.   The amount of total project cost remaining as of the date the report is submitted.