

MEMORANDUM

TO: Personnel, Legislative and Public Affairs Subcommittee

SUBJECT: Extension of the Papio NRD's General Obligation Bonding Authority

DATE: January 4, 2018

FROM: John Winkler, General Manager

In 2009, after a seven year effort, the Papio Missouri River Natural Resource District was granted General Obligation Bonding Authority by the unanimous passage of LB 160 by the Nebraska Legislature and subsequent signing by the Governor. As a result of passage of LB 160 the following statutes were created to codify this authority into law; Neb. Rev. Stat. Sec. 2-3226.10 to 2-3226.14. In addition, Neb. Rev. Stat. Sec. 2-3234 and 2-3290.01 were amended as a result of the passage of LB 160. The duly authorized General Obligation Bonding Authority is to sunset or expire on December 31, 2019 as written in statute.

The District has financed and constructed a number of flood control and water quality enhancement projects with these bond funds:

<u>Project</u>	<u>Total Cost (est)</u>	<u>Financed Amount</u>
Western Sarpy Clear Creek (levee)	42,000,000	2,864,390
Waterloo/Fldway (levee)	3,200,000	1,415,914
Kramper Lake/Danish Alps (reservoir)	18,700,000	4,177,266
Zorinsky Basin 1 (water quality)	5,400,000	1,500,000
Prairie Queen (reservoir)	35,800,000	18,452,205
DS 15A (reservoir)	<u>44,000,000</u>	<u>42,900,000</u>
Totals	\$149,100,000	\$71,309,775

These projects have been located District wide including levees, reservoirs and water quality basins in both urban and rural areas of the District. The completion of these projects has resulted in the protection of lives, property and vital infrastructure. For example, the Western Sarpy Clear Creek levee project protects well fields which provide potable drinking water to over 51% of the State's population. Waterloo levee protects the entire town from flooding and would not have been possible without the NRD's financing. The reservoir projects have contributed to not only a reduction in the floodplain throughout the greater Omaha Metro Area but a quantifiable twenty-five million dollar yearly benefit.

The District currently utilizes 0.7009185 of one cent of mill levy for \$4,399,859 of debt service of the existing bonds; which leaves 0.2990815 of one cent of mill levy or approximately 15-20 million dollars for future board approved bonding.

The District's three original bond issues:

2010	13,300,000
2013	15,600,000
2013B	<u>42,600,000</u>
Total	71,500,000

Total outstanding on original issue and refunding issues as of 6/30/18:

2013	150,000
2015	9,280,000
2017	43,530,000
2018	<u>7,705,000</u>
Total	60,665,000

**Note: From 2015 until the present the District bond refinancing efforts have netted a total savings to the taxpayers of the District of \$3,664,862.47*

Below is a historical chart of the District's total budget and property tax mill levy since bonding authority was granted to the District.

FY2018	\$66,775,192	0.037797
FY2017	\$70,510,023	0.038034
FY2016	\$71,854,171	0.038034
FY2015	\$83,446,074	0.032753
FY2014	\$92,998,464	0.032753
FY2013	\$87,464,637	0.032753
FY2012	\$82,541,966	0.032753
FY2011	\$59,567,588	0.032753
FY2010	\$83,717,915	0.032756
FY2009	\$52,429,355	0.033753
FY2008	\$44,243,894	0.034848

The extension of the bonding tool will allow the Papio NRD Board of Directors the ability to continue to finance and efficiently and effectively construct vital capital intensive projects when appropriate and necessary. Bonding authority has historically been granted to a wide spectrum of political subdivisions from cities and counties to community colleges who, arguably, have less of a mandate to provide protection for lives, property and the environment. The extension of this authority does not call for a tax increase of any kind outside of the District's current statutory authority of four and a half cents (.045). Furthermore, and as evidenced by the District's historical and successful use of bonding authority, this extension of authority will be utilized wisely, with great efficiency and effectiveness to ultimately reduce the timeline of constructing vital projects and thus ultimately saving taxpayer funds, lives, and property.

Therefore, management recommends that the Personnel, Legislative and Public Affairs Subcommittee recommend to the Board of Directors that the General Manager be authorized to immediately begin work within the legislative process to seek passage of legislation to extend bonding authority past the sunset date of December 31, 2019.

West's Revised Statutes of Nebraska Annotated
Chapter 2. Agriculture
Article 32. Natural Resources

Neb.Rev.St. § 2-3226.10

2-3226.10. Flood protection and water quality enhancement bonds; authorized;
natural resources district; powers and duties; special bond levy authorized

Currentness

In addition to other powers authorized by law, the board of directors of a natural resources district encompassing a city of the metropolitan class, upon an affirmative vote of two-thirds of the members of the board of directors, may issue negotiable bonds and refunding bonds of the district, entitled flood protection and water quality enhancement bonds, with terms determined appropriate by the board of directors, payable from an annual special flood protection and water quality enhancement bond levy upon the taxable value of all taxable property in the district. Such special bond levy is includable in the computation of other limitations upon the district's tax levy and shall not exceed one cent on each one hundred dollars of taxable valuation annually on all of the taxable property within the district without approval by a majority of registered voters of the district at an election in accordance with the Election Act called by the board of directors and held in conjunction with a statewide primary or general election.

Credits

Laws 2009, LB 160, § 1, eff. Aug. 30, 2009.

Neb. Rev. St. § 2-3226.10, NE ST § 2-3226.10

Current through the end of the 1st Regular Session of the 105th Legislature (2017)

West's Revised Statutes of Nebraska Annotated
Chapter 2. Agriculture
Article 32. Natural Resources

Neb.Rev.St. § 2-3226.11

2-3226.11. Flood protection and water quality enhancement
bonds; use of proceeds; certain projects; county board; powers

Currentness

(1) The proceeds of bonds issued pursuant to section 2-3226.10 shall be used to pay costs of design, rights-of-way acquisition, and construction of multipurpose projects and practices for storm water management within the natural resources district issuing such bonds, including flood control and water quality. For purposes of this section, flood control and water quality projects and practices include, but are not limited to, low-impact development best management measures, flood plain buyout, dams, reservoir basins, and levees. The proceeds of bonds issued pursuant to section 2-3226.10 shall not be used to fund combined sewer separation projects in a city of the metropolitan class. No project for which bonds are issued under section 2-3226.10 shall include a reservoir or water quality basin having a permanent pool greater than four hundred surface acres. Any project having a permanent pool greater than twenty surface acres shall provide for public access.

(2) A district shall only convey real property that is acquired for a project described in subsection (1) of this section by eminent domain proceedings pursuant to sections 76-704 to 76-724 to a political subdivision or an agency of state or federal government.

(3)(a) Prior to the issuing of bonds pursuant to section 2-3226.10 or expending funds of a natural resources district encompassing a city of the metropolitan class to pay costs of a reservoir or water quality basin project or projects greater than twenty surface acres, a county board of the affected county may pass a resolution stating that it does not approve of the construction of such reservoir or water quality basin project or projects within its exclusive zoning jurisdiction. The county board shall hold a public hearing and shall vote on the resolution within ninety days after notice from the board of directors of the natural resources district of its intent to issue bonds.

(b) No proceeds from bonds issued pursuant to section 2-3226.10 or funds of a natural resources district encompassing a city of the metropolitan class may be used to pay costs of a reservoir or water quality basin project or projects greater than twenty surface acres if the county board of the affected county passes such a resolution.

(c) Sections 2-3226.10 to 2-3226.14 do not (i) limit the authority of a natural resources district with regard to reservoirs, water quality basin projects, or other projects of less than twenty surface acres or (ii) prohibit use of funds of a natural resources district for preliminary studies or reports necessary, in the discretion of the board of directors of the natural resources district, to determine whether a reservoir or water quality basin project should be presented to a county board pursuant to this section.

(4) Proceeds of bonds issued pursuant to section 2-3226.10 shall not be used to fund any project in any city or county (a) located within a watershed in which is located a city of the metropolitan class and (b) which is party to an agreement

2-3226.11. Flood protection and water quality enhancement..., NE ST § 2-3226.11

under the Interlocal Cooperation Act, unless such city or county has adopted a storm water management plan approved by the board of directors of the natural resources district encompassing a city of the metropolitan class.

(5) A natural resources district encompassing a city of the metropolitan class shall only issue bonds for projects in cities and counties that have adopted zoning regulations or ordinances that comply with state and federal flood plain management rules and regulations.

Credits

Laws 2009, LB 160, § 2, eff. Aug. 30, 2009.

Neb. Rev. St. § 2-3226.11, NE ST § 2-3226.11

Current through the end of the 1st Regular Session of the 105th Legislature (2017)

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West's Revised Statutes of Nebraska Annotated Chapter 2. Agriculture Article 32. Natural Resources
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Neb.Rev.St. § 2-3226.12

2-3226.12. Flood protection and water quality enhancement bonds; warrants authorized

Currentness

For the purpose of making partial payments, the board of directors of a natural resources district issuing bonds pursuant to section 2-3226.10 may issue warrants having terms as determined appropriate by the board, payable from the proceeds of such bonds.

Credits

Laws 2009, LB 160, § 3, eff. Aug. 30, 2009.

Neb. Rev. St. § 2-3226.12, NE ST § 2-3226.12

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West's Revised Statutes of Nebraska Annotated
Chapter 2. Agriculture
Article 32. Natural Resources

Neb.Rev.St. § 2-3226.13

2-3226.13. Flood protection and water quality enhancement bonds;
fees to fiscal agents authorized; warrants and bonds; conditions

Currentness

The board of directors of a natural resources district issuing bonds pursuant to section 2-3226.10 may agree to pay fees to fiscal agents in connection with the placement of warrants or bonds of the district. Such warrants and bonds shall be subject to the same conditions as provided by section 2-3254.07 for improvement project area bonds and such other conditions as the board of directors determines appropriate.

Credits

Laws 2009, LB 160, § 4, eff. Aug. 30, 2009.

Neb. Rev. St. § 2-3226.13, NE ST § 2-3226.13

Current through the end of the 1st Regular Session of the 105th Legislature (2017)