

**Finance, Expenditure and Legal
Subcommittee Meeting Minutes
July 10, 2018**

A meeting of the Pappio-Missouri River Natural Resources District’s Finance, Expenditure and Legal Subcommittee was held at the Natural Resources Center, 8901 South 154th Street, Omaha, NE, on July 10, 2018. The meeting was called to order by Chairperson Tesar at 7:16 p.m.

QUORUM CALL: Quorum call was taken. The following subcommittee members were in attendance.

Subcommittee Members Present	Subcommittee Members Absent	Other Directors Present	Others in Attendance
Rich Tesar, Chairperson	John Wiese *	Tim Fowler	John Winkler
Jim Thompson, Vice Chairperson		Ted Japp	Marlin Petermann
Larry Bradley		David Klug	Brent Meyer, Legal Counsel
John Conley			Nicole Gust
Fred Conley **			Zach Nelson
			Amanda Grint
			Lori Laster
			Other Staff Members

- * Absence
- ** Alternate Voting Member

ADOPTION OF AGENDA:

- **It was moved by Director Thompson and seconded by Director F. Conley that the agenda be adopted.**

Roll call was taken on the motion. The motion carried on a vote of 5-yea.

Voting Yea: F. Conley, J. Conley, Bradley, Thompson, Tesar
 Voting Nay: None
 Abstaining: None
 Absent: Wiese

PROOF OF PUBLICATION: Public notice of the meeting was posted at all District offices and published in the Omaha World-Herald on July 5, 2018. The proof of publication affidavit is included with the file copy of these minutes.

1. Review of FY 2019 Budget – Draft 1 – John Winkler:

General Manager Winkler presented the first draft of the District’s Fiscal Year 2019 budget. He noted the key components of the budget. The second draft of the budget will be presented in August and the budget will be adopted in September. No action was taken by the Subcommittee. The following individual addressed the Subcommittee:

- Shawn Melotz, 10404 N. 132nd Street, Omaha, NE

2. Review and Recommendation on Washington County Rural Water System SRF Loan for Pump Station Upgrade Project – Zach Nelson:

Project Manager Zach Nelson summarized the District Staff’s evaluation of multiple financing options for the proposed WCRW System Pump Station Upgrade Project and recommended utilizing the NDHHS and DEQ State Revolving Fund (SRF) Loan Project. The SRF Loan program allows for a 20-year term with an interest rate of 2.5%. The District is requesting a loan in a not to exceed amount of \$300,000. Zach stated that the anticipated debt is expected to be offset by the increased revenue of the water system.

- **It was moved by Director Thompson and seconded by Director J. Conley that the Subcommittee recommend to the Board of Directors, that the General Manager be authorized to execute a Nebraska Department of Health and Human Services and Department of Environmental Quality SRF Loan, in an amount not to exceed \$300,000, as presented to the Subcommittee, subject to changes deemed necessary by the General Manager and approval as to form by District Legal Counsel.**

Roll call was taken on the motion. The motion carried on a vote of 5-yea.

Voting Yea:	F. Conley, J. Conley, Bradley, Thompson, Tesar
Voting Nay:	None
Abstaining:	None
Absent:	Wiese

3. Review and Recommendation Legislative Representation (01-01-000-4393) Account Over 110% - John Winkler:

General Manager Winkler informed the Subcommittee that as of 6/30/2018 the Legislative Representative Account totaled \$121,697.56 with a budget of \$110,000, bringing the account to 110.63% of the budgeted amount. This is due to delayed billing for FY17 services, and not an increase to the contract amount.

- **It was moved by Director J. Conley and seconded by Director Thompson that the Subcommittee recommend to the Board of Directors, that the Legislative Representation Account 01-01-000-4393 be allowed to exceed 110% of the budget with a maximum not to exceed amount of \$121,697.56 without further Board approval.**

Roll call was taken on the motion. The motion carried on a vote of 5-yea.

Voting Yea:	F. Conley, J. Conley, Bradley, Thompson, Tesar
Voting Nay:	None
Abstaining:	None
Absent:	Wiese

4. Review and Recommendation on Zorinsky Basin 2 Construction Costs (02-01-558-4410) Account over 110% - Amanda Grint:

Project Manager Amanda Grint informed the Subcommittee that the final construction contract for Zorinsky Basin 2 with Valley Corp. for a total amount of \$4,254,983.97, began in March 2018 and is expected to continue through December 2019. Amanda stated that there have been no changes to the contract, but that Valley has been able to complete more of the work than anticipated when the FY18 budget was planned, and the invoices submitted total \$1,085,696.29 putting this account over 110% of the FY18 budgeted amount. The remaining balance of the contract will be included in the FY19 and FY20 budget.

- **It was moved by Director J. Conley and seconded by Director Bradley that the Subcommittee recommend to the Board of Directors, that the account for Zorinsky #2 Water Quality Basin**

Construction Costs (02-01-558-4410) be allowed to exceed the budgeted amount up to \$1,100,000.

Roll call was taken on the motion. The motion carried on a vote of 5-yea.

Voting Yea: F. Conley, J. Conley, Bradley, Thompson, Tesar
Voting Nay: None
Abstaining: None
Absent: Wiese

5. Review and Recommendation on WP5 Professional Services (02-01-554-4400) Account Over 110% - Amanda Grint:

Project Manager Amanda Grint informed the Subcommittee that the final professional services contract for WP5 was still open with HDR, and the amount needed to complete the final as built documents and O&M manual was \$43,498.04 which exceeded the \$25,000 estimated to finish the close out of the contract, and putting the account over 110%. Amanda stated that on the maximum not to exceed contract with HDR for WP5 professional services, there is a fee of \$291,459.98 remaining which will not be charged and this contract will be closed.

- **It was moved by Director Thompson and seconded by Director F. Conley that the Subcommittee recommend to the Board of Directors, that the account for WP5 Professional Services (02-01-554-4400) be allowed to exceed the budgeted amount up to \$44,000.**

Roll call was taken on the motion. The motion carried on a vote of 5-yea.

Voting Yea: F. Conley, J. Conley, Bradley, Thompson, Tesar
Voting Nay: None
Abstaining: None
Absent: Wiese

6. Review and Recommendation on Land Acquisition for West Papillion Regional Basin Number 6 (WP6) [Executive Session – if needed] – Amanda Grint:

This item was removed from the Agenda by Chairperson Tesar.

7. Review and Recommendation on Land Acquisition for West Papillion Regional Basin Number 4 (WP4) [Executive Session – if needed] – Lori Laster:

This item was removed from the Agenda by Chairperson Tesar.

ADJOURNMENT: Being no further business, the meeting adjourned by acclamation at 7:31 p.m.