

Agenda Item: 6.

**MEMORANDUM**

**TO:** Programs, Projects and Operations Subcommittee

**FROM:** Zach Nelson, Project Manager

**SUBJECT:** Update on IPA Assessment Increase for the Operation and Maintenance of Elk/Pigeon Creek

**DATE:** September 1, 2015

---

In 1998, Drainage District Number #5, Dakota County, NE signed a merger agreement with the Papio-Missouri River Natural Resources District (“PMRNRD”). Thereafter, the PMRNRD formed the IPA. Under the agreement, the PMRNRD assumed the responsibilities of the Drainage District, including the operation and maintenance of the Elk and Pigeon Creek Channel/Levees Systems.

Annually, the PMRNRD receives approximately \$45,000 in special assessments on property lying in the Elk/Pigeon Creek Improvement Project Area. These funds are used to maintain the channel/levee system. In addition to routine maintenance, the PMRNRD has led multiple projects since 1998 to improve the Elk and Pigeon Creek Levees. The merger agreement contains a provision that allows for the PMRNRD to provide a 50% cost share for major projects in the IPA. Since the merger, over \$4.3 million dollars have been spent on projects on the Elk and Pigeon Creek Levees, of which around \$1.4 million has come from the PMRNRD’s General Fund. Approximately \$770,000 was provided by the special assessment paid by landowners in the IPA and the remaining \$2.2 million was from federal and state funding secured by the PMRNRD. Therefore, the landowners have seen a nearly 6:1 return on their investment in special assessment contributions. Enclosed with this memo is a summary of the major projects that have been constructed within the IPA since 1998.

It has been common practice for the PMRNRD to use General Fund money to pay for major projects in the Elk/Pigeon Creek IPA and for the IPA to reimburse the General Fund as special assessment funds are accumulated. To date, the IPA is \$54,000 in arrears to the PMRNRD General Fund. Once the outstanding balance has been paid off, additional work can be performed on the Elk and Pigeon Creek Channels/Levees.

One particular maintenance issue of current interest to the Advisory Board and landowners within the IPA, is the dredging of the Pigeon Creek Channel from South Bluff Road to Hwy 77. This work is estimated to cost in excess of \$550,000. Once the IPA has paid off the outstanding debt to the District General Fund, special assessment funds (along with a P-MRNRD 50% match) will be used to dredge the Pigeon Creek Channel.

Since 1998, the special assessment for the Elk/Pigeon Creek IPA has remained at five dollars per “benefit unit” that was assigned to each property. Over time, due to inflation, the amount that is collected in special assessments accomplishes less. Section five of the merger agreement contains a provision for the special assessment rate to be increased every three years by a Consumer Price Index (CPI-U) multiplier as established by the United States Department of Labor. Using the CPI-U multiplier to bring the assessment up to date, the special assessment

could be increased from \$5.00 to \$8.38 per each benefit unit. Raising the Elk/Pigeon Creek IPA special assessment benefit unit amount, will allow the IPA to pay off its debt to the PMRNRD General Fund and fund future projects sooner.

The merger agreement also provided for an advisory board, comprised of area landowners to help guide the PMRNRD on project needs. Since the merger, the advisory board has met at least once a year. At the June 12, 2015 Elk/Pigeon Creek Advisory Board Meeting, the Advisory Board asked that PMRNRD staff contact landowners to gauge interest about increasing the Elk/Pigeon Creek IPA special assessment in order to accelerate major projects like dredging of the Pigeon Creek channel and to provide an update at the PMRNRD's Board of Director's Meeting on September 10, 2015 in Dakota City.

In July of 2015, surveys were sent out to approximately 140 landowners in the Elk Pigeon Creek IPA. Only 17 surveys were returned. Six surveys were in favor of increasing the special assessment rate. Ten surveys were against a rate increase. There was one survey that was neither for nor against a rate increase. Many landowners including Advisory Board Members, indicated that property taxes have increased in the County and that the timing of a rate increase for the IPA was not favorable. Therefore, P-MRNRD Management is not recommending an increase in the special assessment rate at this time.

**Since 1998, the following major projects have been constructed within the Elk/Pigeon Creek IPA:**

Description of Repairs	Total Cost	IPA Cost Share	PMNRD Cost Share	Federal or State Agency Cost Share
From 1999 to 2001, work was performed to level the top of the left bank of the Pigeon Creek Levee from South Bluff Road to 212th Street, to create a surface for maintenance access. Some areas were as narrow as 3' wide.	\$ 150,000	\$ 75,000	\$ 75,000	\$ 0
In 2002, work was completed to raise the elevation of the tie-back levee near 200th street on the Pigeon Creek Levee.	\$ 62,000	\$ 31,000	\$ 31,000	\$ 0
In 2006 and 2007, the top of the right bank of the Pigeon Creek Levee from 212th Street to G Ave was leveled to create a more stable maintenance surface. In the following years, all remaining areas on top of the levee were leveled from South Bluff Road to Hwy 77	\$ 75,000	\$ 37,500	\$ 37,500	\$ 0
Grade control structures were added to Elk Creek in 2003 and 2006 to reduce erosion and channel degradation. Additional channel stabilization improvements were made in 2009 and 2012.	\$ 590,000	\$ 295,000	\$ 295,000	\$ 0
In 2013, the PMNRD worked with the NRCS to make emergency repairs to the right bank of the Elk Creek Levee that was damaged in 2011 Missouri River Flood Disaster.	\$ 1,300,000	\$ 200,000	\$ 300,000	\$ 800,000
In 2014, the PMNRD contracted emergency efforts to repair a breach in the left bank of the Pigeon Creek Levee.	\$ 336,000	\$ -	\$ 84,000	\$ 252,000

**Since 2010 the following projects were constructed as part of the Pigeon Jones Site 15 Project (Danish Alps/Kramper Lake Recreation Area) and paid for by the PMNRD in conjunction with funding from state agencies.**

A tie-back levee was constructed at the west end of the Pigeon Creek Levee to keep water from submerging HWY 35 during flood events.	\$ 150,000	\$ 0	\$ 52,500	\$ 97,500
The top of the right bank of the Pigeon Creek Levee was leveled to allow for offline flood storage and the back slope was repaired. Culverts were also added to allow for water to drain from the offline storage area back into the creek channel.	\$ 200,000	\$ 0	\$ 70,000	\$ 130,000
The PMNRD purchased land south of the Pigeon Creek Levee to be used as an offline storage area to divert water to during a flood event and as a "wetland mitigation bank."	\$ 1,400,000	\$ 0	\$ 490,000	\$ 910,000
<b>TOTAL</b>	<b>\$ 4,263,000</b>	<b>\$ 638,500</b>	<b>\$ 1,435,000</b>	<b>\$ 2,189,500</b>

Note: Approximately \$770,000 has been collected in IPA special assessments since 1998. To date, \$638,500 of those funds has been spent on major projects. The remaining balance has been spent on routine maintenance such as mowing, tree removal, and small contract work.

Note: Right bank or left bank is the side of the creek as viewed looking downstream.