

Agenda Item: 11.

**MEMORANDUM**

TO: Programs, Projects and Operations Subcommittee

FROM: Zach Nelson, Project Manager

SUBJECT: First Amendment to Agreement for the Sale of Water between  
MUD and the Papio-Missouri River NRD

DATE: March 5, 2015

---

In accordance with the current Water Purchase Agreement between the District and Metropolitan Utilities District of Omaha (MUD) dated May 15, 2013, the District is responsible to pay MUD a Capital Facilities Charge for each new customer account that is added to the Washington County Rural Water #1 Service Area. In 2014, the Capital Facilities Charge was \$1,251 for a ¾” meter.

The attached amendment to the water purchase agreement will remove the requirement for the District to submit a Capital Facilities Charge for each new customer that is added annually. However, in the future if the system’s demand increases to a quantity that requires the 6” master meter to increase in size, the District will be responsible to pay the difference between the Capital Facilities Charge for the larger meter and the current 6” master meter. This change would have saved the Washington County Rural Water System \$20,016 in 2014.

**It is Staff recommendation that the PPO Subcommittee recommend to the Board of Directors, that the General Manager be authorized to execute the proposed First Amendment to the Agreement for the Sale of Water between Metropolitan Utilities District of Omaha and the Papio-Missouri River Natural Resources District, Dated May 15, 2013, as presented to the Subcommittee, subject to changes deemed necessary by the General Manager and approval as to form by District Legal Counsel.**

**FIRST AMENDMENT TO AGREEMENT FOR THE SALE OF WATER  
BETWEEN THE METROPOLITAN UTILITIES DISTRICT OF OMAHA  
AND  
THE PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT**

THIS FIRST AMENDMENT, entered this \_\_\_\_\_ day of \_\_\_\_\_, 2015, between the Metropolitan Utilities District of Omaha, a municipal corporation and political subdivision of the State of Nebraska ("District"), and the Papio-Missouri River Natural Resources District, a political subdivision of the State of Nebraska ("NRD").

WITNESS:

WHEREAS, the NRD and the District entered into an agreement ("Original Agreement") dated May 15, 2013, for the purchase of wholesale water by the NRD; and

WHEREAS, the District's Board of Directors has recently revised the District's Wholesale Water Rate that requires clarifications be made to Section VI of the Original Agreement.

NOW, THEREFORE, in consideration of the mutual promises of the District and the NRD contained in this First Amendment and under the authority of Neb. Rev. Stat. §§14-2101 et seq., it is agreed as follows:

Section VI of the Original Agreement shall be amended to read as follows:

**RATES AND CHARGES:** The NRD shall pay the following rates and charges to the District:

1. **WHOLESALE WATER RATE (WWS):** The NRD shall pay the District for services rendered the previous month, such rates and charges as are set forth in Schedule WWS, the District's

schedule for wholesale water service, as that schedule may be from time to time amended by the District's Board of Directors. A copy of the current Schedule WWS is attached, but such Schedule may be amended from time to time.

2. CAPITAL FACILITIES CHARGES (CFC): The NRD shall pay to the District a capital facilities charge based upon the size(s) of meter(s) used at the Connection(s) and Point(s) of Delivery as set out in Section II. At this point of time, no Capital Facilities charges are owed by the NRD; however, in the event it becomes necessary to add additional wholesale meters to meet the demand levels of the NRD, or upsize existing wholesale meters, new Capital Facilities Charges will be due. Any new Capital Facilities Charges necessitated by upsizing existing wholesale meters will be the difference in the amount of current Capital Facilities Charges for the existing wholesale meters and the current Capital Facilities Charges for the upsized meter as set forth in the District's Capital Facilities Charges schedule as that schedule may be amended from time to time by the District's Board of Directors. Any Capital Facilities Charges necessitated by adding wholesale meters to meet the demand levels of the NRD will be based upon the Capital Facilities Charges schedule referenced herein. A copy of the current Capital Facilities Charges schedule is attached, but said schedule may be amended from time to time.

3. REBATE: As of the date of this First Amendment, the NRD and the District agree to terminate the rights and obligations as set forth in Section VI, Paragraph 3 "Rebate" of the Original Agreement except as to potential disbursements of funds previously collected. The previously collected funds represent a sum of money collected as CFC payments by the District in accordance with Section VI, Paragraph 2 of the Original Agreement ("Original CFC Payments"). As of February 6, 2015, the Original CFC Payments equals \$14,750.50. Notwithstanding this agreement to terminate the rights and obligations of Section VI, Paragraph 3 of the Original Agreement, the Original CFC Payments shall be available to the NRD in accordance with the rules as set forth in Section VI, Paragraph 3 of the Original Agreement for a period of one (1) year from the date of this First Amendment. Any money left from the Original CFC Payments after the expiration of one (1) year from the date of this First Amendment shall be forfeited by the NRD to the District.

This First Amendment supersedes Section VI of the Original Agreement as outlined above. In all other respects, the terms and conditions of the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the District and the NRD execute this agreement through their duly authorized officers.

ATTEST:

METROPOLITAN UTILITIES DISTRICT

OF OMAHA

By:

\_\_\_\_\_

\_\_\_\_\_

Name

President

\_\_\_\_\_

Title

ATTEST:

PAPIO-MISSOURI RIVER NATURAL

RESOURCES DISTRICT

By:

\_\_\_\_\_

\_\_\_\_\_

Name

Name

\_\_\_\_\_

\_\_\_\_\_

Title

Title

APPROVED AS TO FORM:

\_\_\_\_\_

Metropolitan Utilities District

General Counsel

\_\_\_\_\_ Papio-

Papio-Missouri River NRD Attorney