

Agenda Item: 6.

## MEMORANDUM

**TO:** Finance, Expenditure and Legal Subcommittee

**FROM:** Martin P. Cleveland, Construction Engineer

**SUBJECT:** Western Sarpy Clear Creek Flood Reduction Project

Professional Services	(Account 01-03-548-4400)
Construction	(Account 01-03-548-4410)
Land Rights	(Account 01- 03-548-4430)
Attorney Fees	(Account 01- 03-548-4392)
Accounts over 110%	

**DATE:** April 4, 2014

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On March 15, 2014, the US Army Corps of Engineers (USACE) informed the District that federal funds included in Fiscal Year 2014 USACE Work Plan for Western Sarpy Clear Creek Project were released for design and construction. Federal funding is now available to complete the project, with the requirement that all construction be completed and project turned over to sponsors by September 30, 2015. Enclosed is a map that shows the overall project. The major remaining work to be done with this funding consists of constructing Levee Segment 4B and 5 in Saunders County (Clear Creek segment), and the west bank chute conservation measure (Clear Creek side), Enclosed is a copy of a payment request and allocation of funds table from USACE.

In order to achieve the USACE schedule and funding deadline, the sponsors must make a construction contribution of \$3,497,529 before the end of April 2014 and acquire the remaining project right-of-way (easements) as soon as possible. The USACE is paying for 65% of the overall project cost and the requested \$3,497,529 payment is part of the local sponsor's 35% share of the overall project cost. It is anticipated that the majority of right-of-way payments (estimated at \$1.5 million) will occur after July 1 and therefore will be included in FY 15 budget. The right-of-way is acquired by the sponsors and credited towards the local sponsor's 35% share.

The Nebraska Natural Resources Commission (NNRC), Lower Platte North NRD, Lower Platte South NRD, Papio-Missouri River NRD and Sarpy County partner in paying the local share of the project cost (35% of total). The Papio-Missouri River NRD makes payments to USACE and then gets reimbursed by the other project participants. The cost share split for this \$3,497,529 payment will be as follows:

Nebraska Natural Resources Commission (60%):	\$2,098,517
Lower Platte North NRD( 14%):	489,654
Lower Platte South NRD (6%):	209,852
Papio-Missouri River NRD (15%):	524,630
Sarpy County (5%):	<u>174,876</u>
Total	\$3,497,529

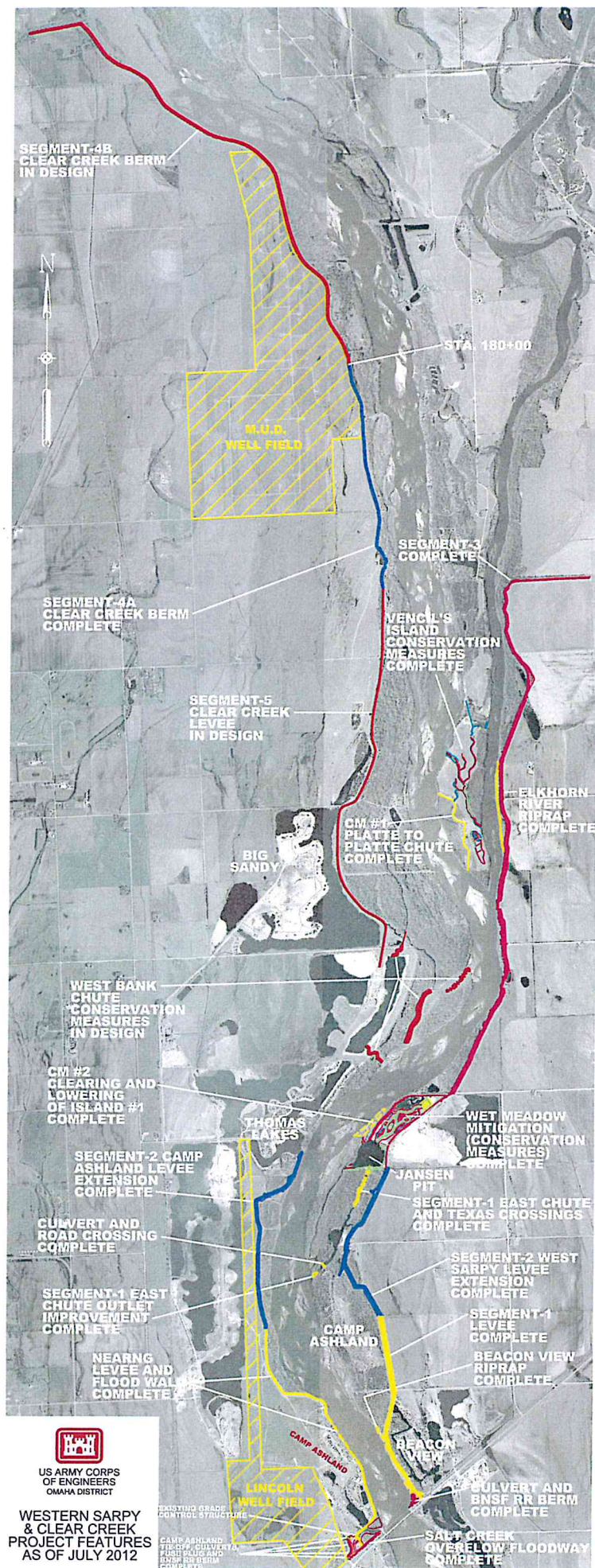
In order to fund the \$3,497,529 payment to USACE, Management recommends that short term financing be obtained for up to a 3 year duration for \$2,831,651 from Wells Fargo Bank to pay for the construction contribution to US Army Corps of Engineers. This financing would be paid back as reimbursements occur from other participants in FY15 and future years. In addition, the \$665,878 remaining from the 2010 bond issue for this project is planned to be used to obtain the total amount (\$3,497,529) required for this project contribution.

The Fiscal Year 2014 Budget did not include significant funds for this project due to the lack of federal funding and anticipated delays until Fiscal Year 2015 or later. With this rapid change of events it is now expected that all Western Sarpy/Clear Creek expense accounts will be over 110% before the end of Fiscal Year 2014. Approval to exceed the 110% limit on the following accounts is being sought:

Professional Services	(Account 01- 03-548-4400) \$9,980 remaining
Construction	(Account 01- 03-548-4410) \$4,000 remaining
Land Rights	(Account 01- 03-548-4430) \$1,000 remaining
Attorney Fees	(Account 01- 03-548-4392) \$9,172 remaining

Management would recommend that Western Sarpy/Clear Creek Professional Services (Account 01-03-548-4400); Construction (Account 01-03-548-4410); Land Rights (Account 01-03-548-4430); Attorney Fees (Account 01-03-548-4392), be allowed to exceed the budgeted amounts.

**Management recommends that the Subcommittee recommend to the Board of Directors that Western Sarpy/Clear Creek accounts for Professional Services; Construction; Land Rights; and Attorney Fees be allowed to exceed the budgeted amounts and that the General Manager be authorized to obtain short term financing for up to a 3 year duration for an amount up to \$2,831,651, to pay for the necessary construction contribution to US Army Corps of Engineers for the Western Sarpy Clear Creek Flood Reduction Project.**







DEPARTMENT OF THE ARMY  
CORPS OF ENGINEERS, OMAHA DISTRICT  
1616 CAPITOL AVENUE  
OMAHA NE 68102-4901

March 24, 2014

Civil Works Project Management Branch

Mr. Martin Cleveland  
Papio-Missouri River Natural Resources District  
8901 South 154 Street  
Omaha, Nebraska 68138-3261

Dear Mr. Cleveland:

The non-Federal (sponsor) proportionate share of \$3,497,529 is required to complete the Western Sarpy/Clear Creek Flood Control project. The Federal/Non-Federal Allocation of Funds table is enclosed. The remaining Federal appropriations (\$2,947,000) were recently included in the Fiscal Year 2014 work plan. Those Federal funds and the sponsor funds will be used to complete the project by the end of Fiscal Year 2015 (September 30, 2015) in accordance with the Fiscal Year 2014 appropriation language. Remaining project work includes two remaining construction projects (Segment 4B and Segment 5/West Bank Chute Conservation Measures) scheduled for award in June 2014 and August 2014 respectively, completion of the Operation & Maintenance Manual, review and crediting of all sponsor real estate costs, submittal of the Letter of Map Revision to FEMA, and project financial closeout. The Omaha District team and the three sponsor NRD's continue to work closely together on all remaining actions necessary to successfully complete the project.

In accordance with the Project Cooperation Agreement, please provide a transmittal letter with the payment (\$3,497,529). Please send check, payable to "FAO, USAED, Omaha" with a note on the check "deposit to Western Sarpy." Please send the transmittal letter and check to:

U.S. Army Corps of Engineers, Omaha District  
Attn: CENWO-PM-P (John Pfenning)  
1616 Capitol Avenue  
Omaha, Nebraska 68102-4901

If you have any questions related to this letter, please contact me at (402) 995-2702 or Mr. John Pfenning at (402) 995-2801.

Sincerely,

Encl

Robert W. Mattson, P.E.  
Western Sarpy/Clear Creek Project Manager  
Civil Works Project Management Branch

**WESTERN SARPY / CLEAR CREEK, NE  
FEDERAL/NON-FEDERAL ALLOCATION OF FUNDS**

<b>FLOOD CONTROL PROJECT - FEDERAL/NON-FEDERAL ALLOCATION OF FUNDS</b>							
Year	Total Project Cost	Non-Fed LERRD	Scheduled Construction	Non-Fed Cash Required	Funds Need Date	Non-Fed 35% Cost Share (LERRD + non-Fed Cash)	Fed Cost Share Cash
Thru FY13		\$3,328,670	\$28,918,290	\$6,704,177	Received	\$10,032,847	\$24,815,291
FY14		\$1,418,550	\$9,045,707	\$3,497,529	5/1/2014	\$4,916,079	\$2,947,000
<b>TOTAL</b>	<b>\$42,711,217</b>	<b>\$4,747,220</b>	<b>\$37,963,997</b>	<b>\$10,201,706</b>		<b>\$14,948,926</b>	<b>\$27,762,291</b>
	(see note 1)	(see note 3)	(see note 4)	(see notes 4, 5)		(see note 2)	(see notes 7 and 8)

**NOTES**

1. Current Total Project Cost (at FY13 price levels) is from Post Authorization Change Report (September 2013).
2. Minimum Non-Fed 35% cost share (LERRD + non-Fed cash) = \$42,711,217 x 0.35 = \$14,948,926
3. LERRD (current estimated amount as of April 2013) = \$4,747,220.
4. Scheduled Construction are project costs, but exclude LERRD costs. Thru FY13 scheduled costs are actual costs.
5. Total cash required = Minimum Non-Fed 35% Cost Share - LERRD = \$14,948,926 - \$4,747,220 = \$10,201,706
6. YTD Non-Fed (sponsor) cash provided: \$131,000 (Nov 2001) + \$255,940 (May 2002) + \$42,040 (Mar 2006) + \$300,000 (May 2007) + \$181,020 (Jun 2008) + \$568,000 (Apr 2009) + \$1,533,000 (Sep 2009) + \$524,000 (Dec 2009) + \$1,021,077 (Feb 2010) + \$550,000 (May 2010) + \$1,598,100 (Aug 2010) = \$6,704,177
7. ARRA funds to date \$14,094,291. Construction General (FY) funds to date \$13,668,000 and includes \$2,947,000 FY14 Work Plan funds. Federal funds to date (FY and ARRA) \$27,762,291.
8. FY14 Corps Work Plan funds have been allocated.
9. Section 902 is waived through FY15 (30 Sep 2015) in the FY14 appropriation language. Project is scheduled for completion by the end of FY15.

3/21/2014