

MEMORANDUM

TO: Finance, Expenditures and Legal Subcommittee

SUBJECT: Account Over 110%
Account #01-03-10 (4410), Western Sarpy – Construction Cost

DATE: May 4, 2010

FROM: Martin P. Cleveland

The Corps of Engineers recently briefed the Western Sarpy Clear Creek Flood Reduction Project sponsors (Papio-Missouri River NRD, Lower Platte North NRD and Lower Platte South NRD) on the current status of the project. Enclosed is a May 4, 2010 Allocation of Funds table that shows the expenses to date and projected remaining expenses to complete this project. At present approximately two-thirds of the project is complete or under construction.

The estimated total project cost is now estimated at \$38,800,000 with the federal share at \$25,220,000 (65% of total) and non-federal share at \$13,580,000 (35% of total). The non-federal share (from State of Nebraska, P-MRNRD, LPNNRD, LPSNRD) consists of credit for easements (LERRD) and cash contribution for construction. The total cash contribution is \$7,334,000, of which \$4,556,077 has been paid to date, so \$2,777,923 remains to be paid.

Interlocal agreements allocate the non-federal share as follows:

Nebraska Department of Natural Resources	60%
Papio-Missouri River NRD *	20%
Lower Platte North NRD	14%
Lower Platte South NRD	<u>6%</u>
	100%

*P-MRNRD is reimbursed 25% by Sarpy County

The P-MRNRD serves as the “lead” sponsor and issues checks to the Corps and then invoices the other sponsors for their share. An increase in state funding is being sought.

As a result of the Corps of Engineers obtaining additional \$4,000,000 funding from American Recovery and Reinvestment Act (ARRA), it now will be awarding additional Western Sarpy Levee Construction Contracts, in particular Conservation Measure Construction at former District owned Jansen sand pit area near Fairview Road and Vencil’s Island area. These projects have a total cost of \$4,000,000 and will be awarded in the May 2010 and the sponsor agreement with the Corps requires 35% level local cost-share to be paid prior award of the referenced contract. This translates into a need to issue a check for \$550,000 to Corps of Engineers as soon as possible in May 2010. This will bring the total expenses in the WSCC construction account (01-03-10 4410) to \$3,628,093 which is 118% of the 3,078,000 budgeted.

- It is recommended by Management that the Subcommittee recommend to the Board that the following account be allowed to exceed 110% of the budgeted amount:
 - Account #01-03-10 4410 – Western Sarpy – Construction Cost.



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
CORPS OF ENGINEERS, OMAHA DISTRICT
1616 CAPITOL AVENUE
OMAHA NE 68102-4901
May 4, 2010

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 \$550,000 is required to award two construction contracts for the Western Sarpy/Clear Creek Flood Control project (Allocation of Funds table enclosed). Additional American Recovery and Reinvestment Act (ARRA) of 2009 Federal funds are available, and the construction contracts must be awarded during May 2010. The two construction contracts are the Western Sarpy Conservation Measures contract (base bid plus all options) and the Western Sarpy Levee Tie-Off (Beacon View) contract.

In accordance with the Project Cooperation Agreement, please provide a transmittal letter with payment. If possible, we would like to receive the payment by electronic funds transfer (information will be provided separately) to expedite awarding the contract. If electronic funds transfer is not possible, then send a check, payable to "**FAO, USAED, Omaha**" with a note on the check "deposit to Western Sarpy." Please send the transmittal letter and check to:

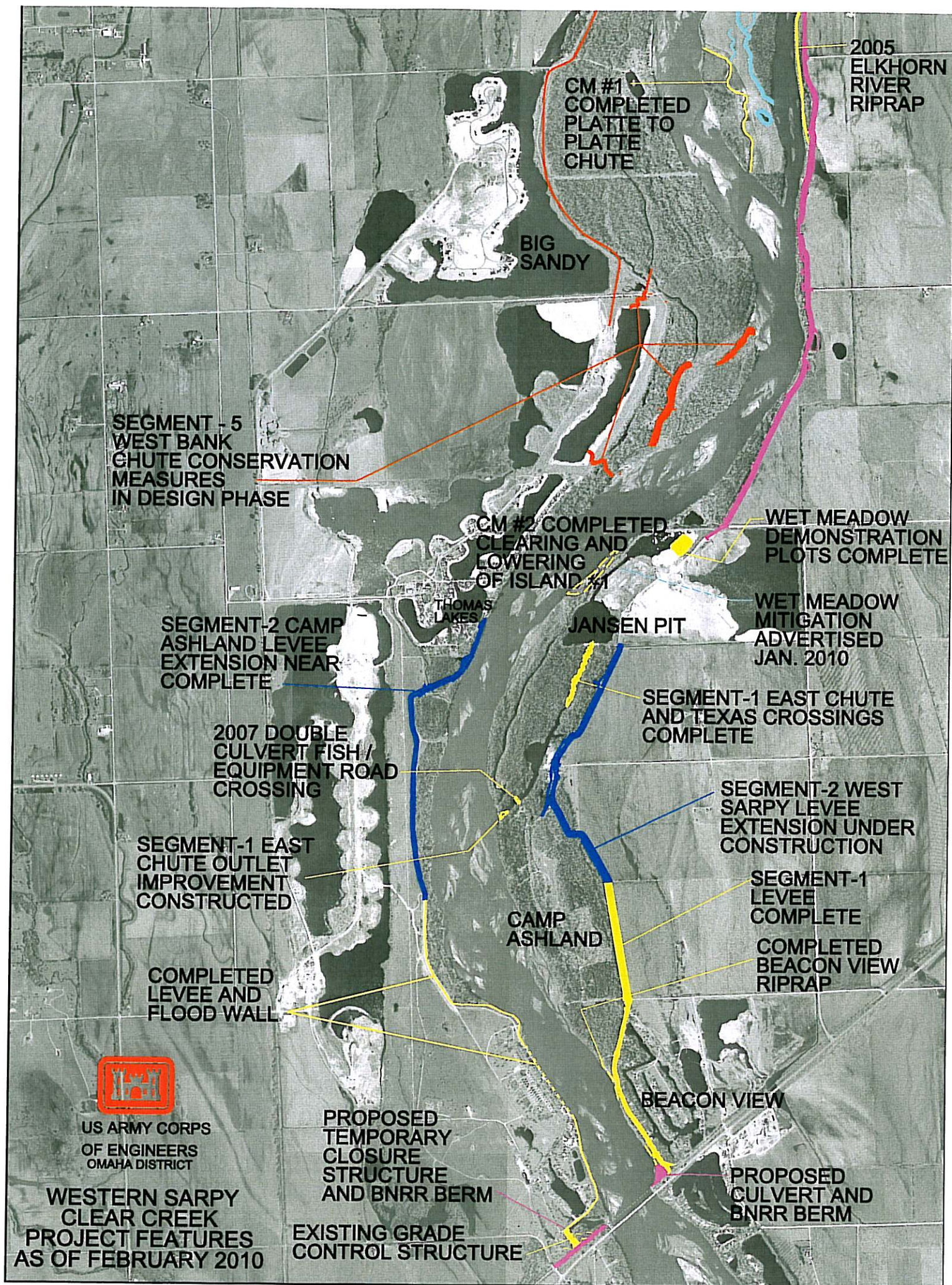
U.S. Army Corps of Engineers, Omaha District
Attn: CENWO-PM-P (John Pfenning)
1616 Capitol Avenue
Omaha, Nebraska 68102-4901

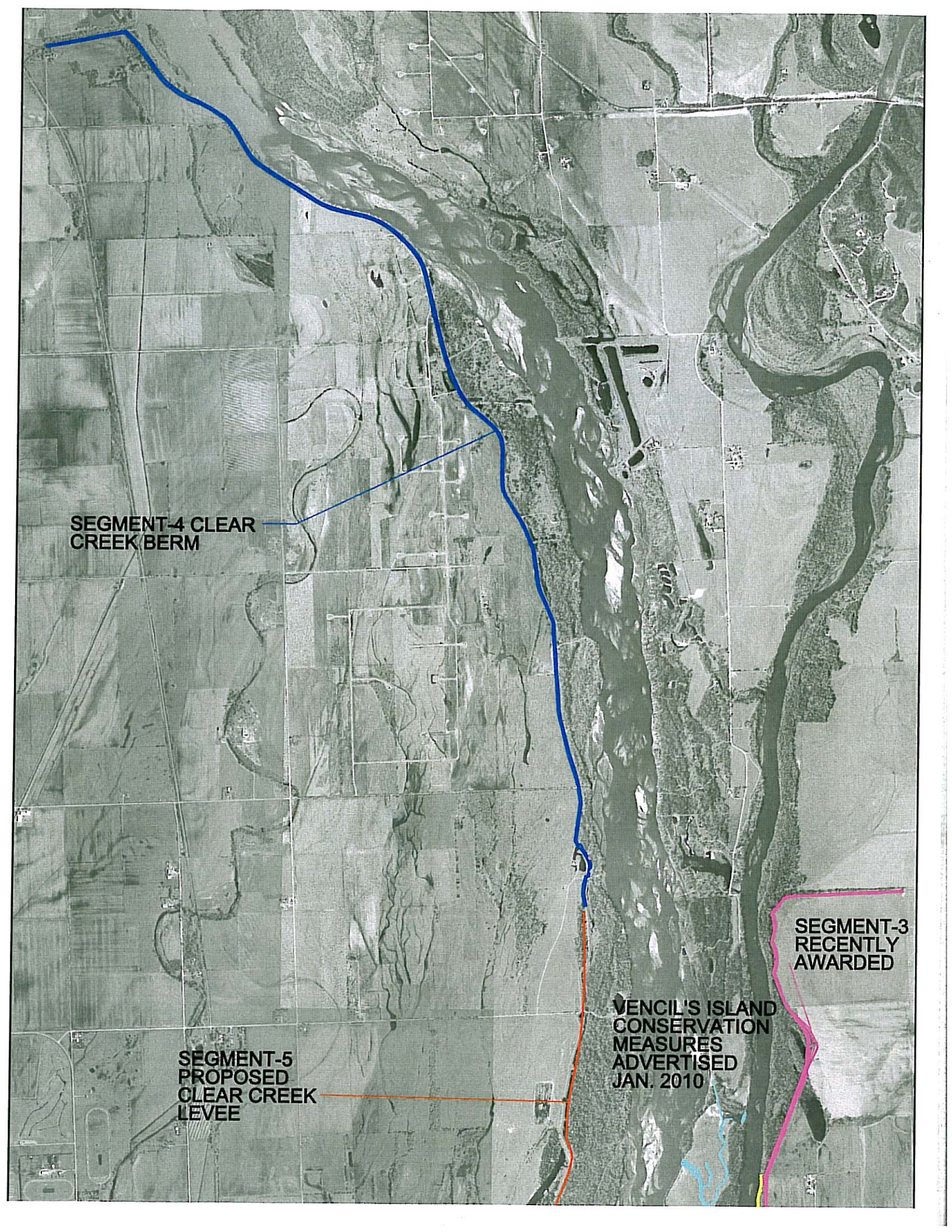
If you have any questions related to this letter, please contact me at (402) 995-2702 or Mr. John Pfenning at (402) 995-2801.

Sincerely,

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

Enclosure





**SEGMENT-4 CLEAR
CREEK BERM**

**SEGMENT-5
PROPOSED
CLEAR CREEK
LEVEE**

**VENCIL'S ISLAND
CONSERVATION
MEASURES
ADVERTISED
JAN. 2010**

**SEGMENT-3
RECENTLY
AWARDED**

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

FLOOD CONTROL PROJECT - FEDERAL/NON-FEDERAL ALLOCATION OF FUNDS								
<u>Year</u>	<u>Total Project Cost</u>	<u>Non-Fed LERRD</u>	<u>Scheduled Construction</u>	<u>Non-Fed Cash Required</u>	<u>Funds Need Date</u>	<u>Non-Fed 35% Cost Share (LERRD + non-Fed Cash)</u>	<u>Fed Cost Share Cash</u>	<u>Funds</u>
Thru FY09								
FY10 (YTD)			\$13,712,000	\$3,011,000	Received	\$3,011,000	\$10,701,000	FY
All LERRD		\$6,246,000	\$10,905,077	\$1,545,077	Received	\$1,545,077	\$9,360,000	ARRA
FY10 (May)						\$6,246,000		
FY10 (Aug)			\$1,571,000	\$550,000	May 2010	\$550,000	\$1,021,000	ARRA
FY11+			\$4,566,000	\$1,598,100	Aug. 2010	\$1,598,100	\$2,967,900	ARRA
			\$1,799,923	\$629,823	FY11	\$629,823	\$1,170,100	TBD
TOTAL	\$38,800,000	\$6,246,000	\$32,554,000	\$7,334,000		\$13,580,000	\$25,220,000	
	(see note 1)	(see note 3)	(see note 4)	(see notes 4, 5)		(see note 2)	(see notes 7 and 8)	

NOTES

1. Current estimated Total Project Cost (based on TRACES [Tri-Service Automated Cost Engineering System] detailed cost estimate dated March 19, 2010) is \$38,800,000 (rounded).
2. Minimum Non-Fed 35% cost share (LERRD + non-Fed cash) = \$38,800,000 x 0.35 = \$13,580,000.
3. LERRD (current estimated amount as of March 2010) = \$6,246,000 (rounded).
4. Scheduled Construction is defined as Fed Cost Share Cash plus Non-Fed Cash required.
5. Total cash required = Minimum Non-Fed 35% Cost Share - LERRD = \$13,580,000 - \$6,246,000 = \$7,334,000
6. YTD Non-Fed (sponsor) cash provided: \$131,000 (11/07/2001) + \$255,940 (05/20/2002) + \$42,040 (03/16/2006) + \$300,000 (05/31/2007) + \$181,020 (6/23/2008) + \$568,000 (Apr 2009) + \$1,533,000 (Sep 2009) + \$524,000 (Dec 2009) + \$1,021,077 (Feb 2010) = \$4,556,077
7. Additional ARRA funds are available to project in the amounts shown above, and all ARRA funds must be obligated to contracts by 30 Sep 2010. Additional required proportional cost share sponsor funds are needed in May 2010 and August 2010. If FY11 funds are received, proportional cost share sponsor funds will be required in FY11.
8. FY11+ Federal funds will be FY funding, fiscal year TBD.

5/4/2010

Western Sarpy/Clear Creek Project

Note: Contingencies included in amounts shown above. Total contingency amount is \$1,223,703.

Western Sarpy/Clear Creek Project
Estimated Remaining Cost as of 3/19/2010 based on TRACES Estimate dated 3/19/2010

Wet Meadows Area Conservation Measures	Vencil's Island Conservation Measures	West Bank Chute Conservation Measure #4	O&M Manual and Design Documentation	PPM, CT, RE Activities	Totals
\$3,914,071	\$1,505,559	\$806,360			\$10,832,378
\$0	\$0	\$76,927			\$474,645
\$234,845	\$90,334	\$48,382			\$1,056,359
			\$165,000		\$165,000
				\$363,000	\$363,000
					\$12,891,382

[illegible]