

**Finance, Expenditure and Legal
Subcommittee Meeting Minutes
December 6, 2011**

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 December 6, 2011. The meeting was called to order by Chairperson Thompson at 8:02 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
Rick Kolowski**	Rich Tesar*	Gus Erickson	John Winkler
Jim Thompson		Scott Japp	Marlin J. Petermann
Dorothy Lanphier		David Klug	Carey Fry
John Conley			Martin Cleveland
Larry Bradley			Amanda Grint
			Jerry Herbster
			Dick Sklenar
			Jean Tait
			Trent Heiser
			Heather Guthridge
			Paul Woodward
			Paul Peters
			Barb Sudrla

* Absence

** Alternate Voting Member

Adoption of Agenda

- **It was moved by Director J. Conley and seconded by Director Kolowski that agenda be adopted.**

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Bradley, J. Conley, Lanphier, Kolowski, Thompson
 Voting Nay: None
 Abstaining: None
 Absent: Tesar
 Excused Absence: Tesar

Proof of Publication: Public notice of the meeting was posted at all District offices and published in the Omaha World-Herald on December 1, 2011. The proof of publication affidavit is included with the file copy of these minutes.

Review and Recommendation on Discussion of FY 2011 Audit:

District Accountant Carey Fry along with Gene Garrelts of Orizon Group addressed the subcommittee to detail minor changes in the audit report from the draft presented to the subcommittee in November. Directors Japp and Lanphier asked questions regarding capital assets and long-term contracts.

The following people addressed the subcommittee:

Shawn Melotz, 10404 N. 132nd St, Omaha, NE

There was discussion.

- **It was moved by Director John Conley and seconded by Director Bradley, that the Subcommittee recommend to the Board of Directors that the FY2011 Audit Report and management letter, prepared by Orizon CPAs, LLC, be accepted and that the General Manager be directed to file an authenticated copy of the audit report with the Nebraska Auditor of Public Accounts and the Nebraska Natural Resources Commission.**

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Bradley, J. Conley, Lanphier, Kolowski, Thompson
Voting Nay: None
Abstaining: None
Absent: Tesar
Excused Absence: Tesar

Review and Recommendation on Pigeon/Jones Site 15 Project Right of Way Purchase Agreements [Executive Session]:

A motion was made by Director J. Conley and seconded by Director Bradley to go into Executive Session.

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Bradley, J. Conley, Lanphier, Kolowski, Thompson
Voting Nay: None
Abstaining: None
Absent: Tesar
Excused Absence: Tesar

Subcommittee went into Executive Session at 8:35 p.m.

A motion was made by Director Thompson and seconded by Director Kolowski to come out of Executive Session.

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Bradley, J. Conley, Lanphier, Kolowski, Thompson
Voting Nay: None
Abstaining: None
Absent: Tesar
Excused Absence: Tesar

Subcommittee came out of Executive Session at 8:55 p.m.

It was moved by Director John Conley and seconded by Director Kolowski, that the Subcommittee recommends to the Board that the revised NRD offer for Tract 5 be \$143,764 for 23.24 acres; that the revised NRD offer for Tracts 29 & 33 be \$89,040 for 18.0 acres; that the Landowner counter offers for Tract 5, Tracts 9 & 10, Tracts 6, 24, & 25, Tracts 29 & 33 and Tracts 35 & 36 be rejected and that the General Manager be authorized to execute a purchase agreement for Tract 12 in the amount of \$6,600 for 0.5 acres of land for the Pigeon/Jones Site 15 project subject to such other terms and conditions as the General Manger determines necessary and Legal Counsel approves as to form.

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Bradley, J. Conley, Lanphier, Kolowski, Thompson
Voting Nay: None
Abstaining: None
Absent: Tesar
Excused Absence: Tesar

Review and Recommendation Retainer Agreement for District Legal Services:

Director Lanphier asked District Legal Counsel about several of the provisions contained in the recommended retainer agreement. There was discussion.

It was moved by Director John Conley and seconded by Director Kolowski that the Subcommittee recommends to the Board of Directors that the Board approve the proposed retainer agreement with Paul Peters per the terms and conditions outlined in said agreement for a period of three (3) years beginning on January 1, 2012.

Roll call was taken on the motion. The motion carried on a vote of 5 to 0.

Voting Yea: Bradley, J. Conley, Lanphier, Kolowski, Thompson
Voting Nay: None
Abstaining: None
Absent: Tesar
Excused Absence: Tesar

Review and Recommendation Flood Mitigation and Mapping Program Professional Services Account 01-03-551-4400 Over 110%:

Staff member Amanda Grint explained the added expense of the mapping project and the potential for cost reimbursement.

It was moved by Director John Conley and seconded by Director Kolowski that the Subcommittee recommend to the Board of Directors that Account # 01-03-551-4400 be allowed to exceed 110% of the budgeted amount.

Roll call was taken on the motion. The motion carried on a vote of 4 to 1.

Voting Yea: Bradley, J. Conley, Kolowski, Thompson
Voting Nay: Lanphier
Abstaining: None
Absent: Tesar
Excused Absence: Tesar

Review and Recommendation Chalco Hills Account 01-06-264-4477 and Account 01-06-264-4479 Over 110%:

Staff member Jerry Herbster explained the added cost incurred in these two items, as they were safety issues and added design and engineering costs.

It was moved by Director Kolowski and seconded by Director Bradley that the Subcommittee recommends to the Board of Directors that accounts 01-06-264-4477 and 01-06-264-4479 be allowed to exceed 110%. There are no more anticipated charges for these two accounts.

Roll call was taken on the motion. The motion carried on a vote of 4 to 1.

Voting Yea: Bradley, J. Conley, Kolowski, Thompson
Voting Nay: Lanphier
Abstaining: None
Absent: Tesar
Excused Absence: Tesar

Adjournment: Being no further business, the meeting adjourned by acclamation at 9:35 p.m.