Papio-Missouri River Natural Resources District
Public Hearing
on Construction of the Washington County Rural Water System – Lakeland Connection Project

September 8, 2016
7:00 p.m.

AGENDA

1. Hearing Called to Order – Chairperson John Conley
2. Appointment of Hearing Officer – General Manager, John Winkler
3. Evidence of Proof of Publication of Hearing Notice
4. Explanation of the Purpose of the Hearing – Brent Meyer
5. Identification of Exhibits
7. Receive Testimony and Statements
8. Reception of Exhibits
9. Hearing Adjournment
Papio-Missouri River Natural Resources District

Public Hearing on the Preliminary Engineering Report for Construction of the Washington County Rural Water System – Lakeland Connection Project

September 8, 2016

Dakota City, Nebraska

STATEMENT OF PURPOSE

The purpose of this hearing is to discuss the Preliminary Engineering Report for construction of the Washington County Rural Water System – Lakeland Connection Project, including any potential impact on existing water rates.

The purpose of the Lakeland Connection Project is to provide a safe, clean and dependable water supply to more than five hundred households in Washington County, Nebraska.
Washington County Rural Water System – Proposed Lakeland Water Main Connection Project Public Hearing

9/8/2016

Outline

* Scope and Purpose of Project
* Impacts to Customers
* Summary
Scope of the Project

- The PMRN RD has been working with Lakeland Estates Water Company (LEWC) to evaluate extending a Washington County Rural Water Main to serve the community with a single hookup to their current water system.

- Reasons for the project:
  - Replace Lakeland’s wells that are high in iron, with a single rural water connection.
  - Provide higher quality water to 525+ households.
  - Provide a more dependable water source.
  - Provide rural water along the Hwy 133 Corridor.

Scope of Project

Lakeland Estates Water Company provides water to the following subdivisions in the blue shaded area:

- Lakeland Estates
- Crest Ridge
- Quail Ridge
- Heidi Hollow
- Country Land
- Eagle View
- Valley View Estates

Red line represents water main extension.
WCRW Water Source

- The Washington County Rural Water System Service Area #2 purchases water from the City of Blair
- Water is treated by the City of Blair
  (no secondary treatment is required by WCRW)
- WCRW System's water quality report can be found at:

Project Proposal

* One physical hookup to the Lakeland Estates Water Company (LEWC) System

* LEWC will continue to operate its own distribution system on the downstream side of the meter
  (including maintenance and billing)
Long Term Benefits

The goals of this project:

* Provide high quality, safe drinking water to residents of Washington County

* Provide water along the Hwy 133 corridor

* Provide for a more economical and stable rural water system

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Project Costs

<table>
<thead>
<tr>
<th>Administrative</th>
<th>$10,000</th>
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<tr>
<td>Land and Easements</td>
<td>$1,000</td>
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<tr>
<td>A/E Fees</td>
<td>$12,000</td>
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<tr>
<td>Inspection Fees</td>
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<tr>
<td>Construction</td>
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<td>Washington County Rebate</td>
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<tr>
<td>Contingencies</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$490,000</strong></td>
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</tbody>
</table>

PROJECT FUNDING SOURCES

- Lakeland Connection Fee: $140,000
- DIWSRF Loan: $350,000
Project Costs

* The previous slide provides a breakdown of estimated project costs as identified in the District’s SRF Loan application.

* LEWC will be responsible for paying a connection fee of approximately $140,000.

* All additional project costs will be financed by an SRF loan at an interest rate of 2.75% with a 20 year term.

Rate Impacts and Revenue

LEWC will be charged a monthly base fee of $1,050, plus a commodity rate of $2.10/1,000 gallons

Based on anticipated annual water usage of 55,000,000 gallons, the WCRW water system will receive the following revenue from the Lakeland Connection:

* Base Fee: $12,600
* Water Usage Fees: $115,500

* The additional revenue from the project will help keep rates low for existing rural water customers
Rate Impacts and Revenue

* LEWC will be responsible for adjusting rates for current LEWC customers, since LEWC will be served as wholesale customer only.

* It is anticipated that LEWC will adjust their customer water rates to:
  * Base charge: $12.00
  * Commodity Charge of $5.00 per 1,000

QUESTIONS???????