

**Finance, Expenditure & Legal
Subcommittee Meeting
December 9, 2008
6:40 p.m.
(Or immediately following PLPA Subcommittee Meeting)**

Agenda

Finance, Expenditure & Legal Subcommittee Members:

John Conley, Chairperson
Rick Kolowski, Vice-Chairperson
Fred Conley
Dick Connealy
Dorothy Lanphier

Alternate Members: Rich Tesar Staff Liaison: Jim Becic
 Jim Thompson Jerry Herbster *
 Carey Fry
 Trent Heiser

1. Meeting Called to Order – Chairperson John Conley
2. Notification of Open Meetings Act Posting and Announcement of Meeting Procedure – Vice-Chairperson Fowler
3. Quorum Call
4. Adoption of Agenda
5. Proof of Publication of Meeting Notice
6. Review and Recommendation on FY 2008 P-MRNRD Audit – Carey Fry and David Riley, Justin Frauendorfer and Fran Wester, Bland and Associates
7. Review and Recommendation on Purchase of Property for New Blair Office – Dick Sklenar
8. Review and Recommendation on Little Papio Channel Project (West Center to Spring Street) – Douglas County/University of Nebraska Foundation/P-MRNRD Access Agreement – Martin Cleveland
9. Review and Recommendation on Purchase Agreement for King Lake Property (5716 N. 242nd St.) – Amanda Grint
10. Adjourn

**DRAFT AUDIT IS POSTED TO THE WEBSITE -
FINAL AUDIT WILL BE POSTED AS SOON AS
AVAILABLE.**

MEMORANDUM

To: Finance, Expenditures and Legal Subcommittee

Subject: FY 2008 Audit

Date: December 4, 2008

From: Carey Fry, District Accountant

- **It is staff's recommendation that the FEL Subcommittee recommend to the Board of Directors that the FY2008 Audit Report and management letter, prepared by Bland and Associates, 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.**

MEMORANDUM

TO: Finance, Expenditure and Legal Subcommittee

FROM: Dick Sklenar, Project Manager

SUBJECT: Purchase of Property for New Blair Office

DATE: December 2, 2008

The District's General Manager this month received a verbal understanding from the Natural Resource Conservation Service regarding their intent to relocate to the proposed new Blair office facility in Blair, Nebraska. Unfortunately, the General Services Administration (GSA) is now formally involved with all leases. A signed lease for the new location is expected to take at least 16 months from its initiation.

Earlier this year, the District entered into an option purchase agreement with the Blair YMCA for a parcel consisting of 1.8 acres for a total purchase price of \$100,000 plus closing costs. The option premium of \$10,000 was submitted to the YMCA in August of this year, and is credited towards the total purchase price. It is recommended that this option be exercised at this time.

In order to move the building progress forward, as soon as possible, it is also recommended that the Chairman appoint an Ad-Hoc Blair Office Consultant Selection Subcommittee at the December Board meeting. The sooner space needs are defined, designs completed and rental rates established, the sooner lease negotiations can be initiated.

- **Management recommends that the Subcommittee recommend to the Board of Directors that the General Manager be authorized to exercise the option and to execute all closing documents approved as to form by District Legal Counsel for the purchase of the 1.8 acre parcel from the Blair YMCA for a new Blair Field office, and that an Ad-Hoc Blair Office Consultant Selection Subcommittee be appointed.**

MEMORANDUM

TO: Finance, Expenditure and Legal Subcommittee

SUBJECT: Little Papio Channel Project (West Center Road to Spring Street) – Left Bank
Douglas County Request for Right-of-Way Release

DATE: November 25, 2008

FROM: Martin P. Cleveland, Construction Engineer

The Douglas County Attorney's office contacted the NRD in May 2007 regarding an apparent deed error when the County transferred the Little Papio Channel Project along with associated deeds to the NRD in 1997. The parcel in error is located near 67th Street and West Center Road includes Creek area and land under the Douglas County Parks Maintenance Building (see enclosed map and ground photos).

The County desires to sell the before mentioned building and surrounding land to the University of Nebraska Foundation (Foundation), so they need to clean-up this deed error. The County requested that the District transfer the parcel described in the enclosed legal description and map. Enclosed is a proposed warranty deed with reserved easement.

At the June 12, 2007, Board of Directors Finance, Expenditure and Legal Subcommittee meeting, the Subcommittee tabled the before mentioned Douglas County request until further information could be provided (see enclosure). At this meeting the Directors expressed the following comments and the subsequent staff research finding's follows each comment:

1. Will the reserved access easement connect into City street system, so there is always access to creek?
 - a. Response: The reserved access easement will connect with a proposed access easement across the University of Nebraska Foundation property, which ends at 64th Avenue (City Street) as shown on enclosed map. The Foundation may elect to change the location of the access easement once development plans are developed. Any change in the access easement will require District approval.
2. Can the pre-existing Keystone Trail access point and parking lot at the Ak-Sar-Ben area be replaced on District property south of Center Street that County has requested the District transfer?
 - a. Response: The Keystone Trail is located on opposite bank of creek at this location, so a pedestrian bridge (cost at \$200,000+) or connection back north to an existing bridge would be required to access proposed trailhead. The University of Nebraska is redeveloping the former Chili Green golf course downstream of Center Street (same side of creek as trail) into student sports complex (soccer, ice hockey) and they indicated they plan to build a trail connection and parking lots could be used by the public.

3. Perhaps the District could donate land directly to the University instead of to the County?
 - a. Response: This property (containing a County maintenance building) was mistakenly transferred to the District in 1999. This action (transfer land to County) will correct the error made in 1999. The County owned all the land (in creek and east ward) for 20 years prior to the transfer. The land should be transferred back to the County because they are the rightful owner.
- **Management recommends that the Subcommittee recommend to the Board that the General Manager be authorized to execute such deeds and/or other conveyance instruments, such as the proposed Special Warranty Deed with reserved permanent easement, as the General Manager deems necessary and Legal Counsel approves as to form, in order to convey back to the County of Douglas that portion of the land (located near 66th Street and West Center Road) that the County erroneously conveyed to the NRD in 1997 and that exceeds the NRD's needs for Little Papio Creek Channel Project operation and maintenance.**

Memorandum

To: Finance, Expenditures, and Legal Subcommittee
Re: Floodway Property Purchase at King Lake
Date: December 1, 2008
From: Amanda Grint, Water Resources Engineer

The District has received a request from Mr. Robert Johnson to consider the voluntary purchase of his property located at 5716 North 242nd Street, Valley, NE (located in King Lake, Douglas County, NE). According to the Flood Insurance Rate Map for Sarpy County, Panel 31055C 170H effective December 2, 2005, the property is located in a Zone AE floodway of the Elkhorn River. See attached maps.

In March 2008, the District submitted an application for federal funding to purchase several lots in the King Lake floodway. This property was not included because the owner was not interested in selling at that time. The District has not received word on its federal funding application.

Following this request, the District hired Ag One Appraisal to perform an appraisal of the 0.41 acre property. In Mr. Kenneth L. Beckstrom's opinion, the market value of the land and improvements as of October 4, 2008 was \$60,000. A second opinion from Jim Grove verified this appraisal.

After reviewing this appraisal, District staff spoke with Mr. Johnson to discuss conditions of the purchase. Mr. Johnson agreed to accept the District's purchase of 0.41 acres of his property in the King Lake floodway and floodplain for \$60,000. Adequate funds are available in the District's FY09 budget to make this purchase.

- **Management recommends that the Subcommittee recommend to the Board that the General Manager be authorized to execute the proposed Purchase Agreement with Robert Johnson for the purchase price of \$60,000 to acquire 0.41 acres of improved land in King Lake, subject to changes deemed necessary by the General Manager and approval as to form by District Legal Counsel.**