Finance, Expenditure & Legal Subcommittee Meeting
Lower Level Conference Room
May 11, 2004
7:00 p.m.
Agenda

Finance, Expenditure & Legal Subcommittee Members:
   Melissa Gardner, Chairperson
   Dick Connealy, Vice-Chairperson
   John Conley
   Barb Nichols
   Jim Thompson

Alternate Members:     Joe Neary     Staff Liaison:  Jim Becic *
                       Pete Rubin                     Martin Cleveland

1. Meeting Called to Order – Chairperson Gardner

2. Quorum Call

3. Adoption of Agenda

4. Proof of Publication of Meeting Notice

5. Review and Recommendation on Bond Resolution for Refinancing Loans on the Thurston County Rural Water System – John Trecek, Ameritas; and Dick Sklenar

6. Review and Recommendation on Floodway Property Purchase at Elbow Bend – Paul Woodward

7. Review and Recommendation on Purchase Agreement for Water Tower Site for the Washington County Rural Water #2 [Executive Session] – Dick Sklenar

8. Review and Recommendation on Western Sarpy/Clear Creek Cabin Buyout/Flood Proofing [Executive Session] - Jack Borgmeyer, Midwest Right-Of- Services, and Martin Cleveland

9. Other Items of Interest

10. Adjourn
MEMORANDUM

TO: Finance, Expenditure and Legislative Subcommittee

FROM: Dick Sklenar

SUBJECT: Refinancing Loans for the Thurston County Rural Water System

DATE: April 30, 2004

As I indicated to the District’s Board of Directors last year, the Thurston County Rural Water System will be having a substantial increase on their water rates from our supplier (Village of Pender). The current water supply is high in nitrates and thus necessitates the construction of a water treatment plant within the village. Construction is anticipated to commence later this year.

The increase in the water rates to the Thurston County Rural Water System will necessitate the District Staff to look at all avenues to keep this project financially viable. A three-pronged approach taken to address this matter is as follows:

1. Increase water rates for Thurston County Rural Water customers.
2. Refinance existing loans.
3. Reduce operating expenses where practical.

Last year the District’s Board of Directors retained Ameritas for refinancing existing loans for the Thurston County Rural Water System. In recent weeks the Village of Pender executed a 25-year water purchase agreement with the District. This agreement was important in order to assure bond holders that a supply of water will be made available to the District in future years.

The amount to be refinanced for the Thurston County Rural Water System amounts to approximately $560,000. This includes Ameritas’ fees which are about 2% of the issuance. To allow the rural water system to have extra operating capital, the debt is being refinanced for a 30 year period.

Attached is the bond resolution for refinancing the existing loans.

The staff recommends that the Subcommittee recommends to the Board of Directors that the attached Bond Resolution be adopted.
Memorandum

To: Finance, Expenditures, and Legal Subcommittee
From: Paul Woodward, Water Resources Engineer
Date: May 3, 2004
Re: Floodway Property Purchase at Elbow Bend

Fred and Janet Proksel submitted the attached Floodway Purchase Program Application dated October 16, 2003 to request that the District consider the purchase of their property located at 14010 Elbow Bend Road, Bellevue, NE. According to the Flood Insurance Rate Map for Sarpy County, Panel 31153C 0135F, the property is located in a Zone AE floodway of the Missouri River.

Following receipt of this application, the District hired Ag One Appraisal on November 12, 2003 to perform an appraisal of the 1.11 acre property. In Mr. Kenneth L. Beckstrom’s opinion, the market value of the property and improvements as of December 5, 2003 was $50,000. After receiving this report, District staff and legal council prepared a purchase agreement along with a title search and land surveyor’s certificate for this property. All of these documents were forwarded to the Proksels for their consideration on March 1, 2004. A meeting was held between the Proksel Family and District Staff on Monday, March 8, 2004 to discuss details of the appraisal and provisions of the purchase agreement.

After receiving the enclosed letter from the Proksels on April 5, 2004 proposing a counter-offer of $75,000 for the NRD’s consideration, staff indicated to Mrs. Proksel a willingness to recommend 110% of the appraised price, or $55,000, to the Board for approval based on past action by the Board to purchase properties in this area. After further consideration of the NRD’s offer, Mrs. Proksel signed the enclosed purchase agreement at a meeting with staff on April 29, 2004.

In summary, Janet Proksel has agreed to sell her property at 14010 Elbow Bend Road to the District for $55,000.

Management recommends that the Subcommittee recommend to the Board that the General Manager be authorized to execute the enclosed Purchase Agreement with Mrs. Janet Proksel for the purchase price of $55,000 to acquire Tax Lot 3B in Elbow Bend, subject to changes deemed necessary by the General Manager and to approval as to form by District Legal Counsel.
Memos and background information for the following agenda items are posted under “Confidential” on the District’s website at www.papionrd.org.

Agenda Item #7: Review and Recommendation on Purchase Agreement for Water Tower Site for the Washington County Rural Water #2 [Executive Session]

Agenda Item #8: Review and Recommendation on Western Sarpy/Clear Creek Cabin Buyout/Flood Proofing [Executive Session]