

MEMORANDUM

TO: Finance, Expenditure & Legal Subcommittee

DATE: May 5, 2006

SUBJECT: Financing of Washington County Rural Water #2

FROM: Dick Sklenar

Attached is the resolution for providing financing of the District's nearly complete Washington County RW#2. It encompasses the issuance of \$3.4 million of revenue bonds and a \$1.1 million loan from the Washington County Bank. The dollars from this transaction will pay off Wells Fargo Bank which has been providing interim financing for the project. Some money will also be set aside for a mandatory reserve fund and for some additional operating expenditures.

The District's bond counsel is Richard Pedersen (Baird Holm Law Firm) who has prepared the attached resolution.

The District has retained the services of D.A. Davidson & Co. for handling the sale of the revenue bonds and the financial arrangements with the Washington County Bank.

It is recommended that the Subcommittee recommend to the Board the adoption of the attached bond and loan resolution for Washington County Rural Water #2.

MEMORANDUM

TO: Finance, Expenditure & Legal Subcommittee

SUBJECT: RFP for Auditing Services

FROM: Jack Lawless

DATE: May 8, 2006

The Request for Proposals for Professional Auditing Services was advertised in the Omaha World Herald on March 29, 2006 and again on April 5, 2006 in accordance with the Selection Schedule. There were two inquiries for additional information, one from Bland & Associates CPA's and one from Timothy Cortney, CPA.

Bland & Associates was the only firm to submit a bid. Their proposal for the 2006 Audit is \$34,000 plus \$400 for out-of-pocket expenses. Their proposal includes a five percent increase each year for the next four years. Bland contracted to perform our 2005 audit at \$33,500 plus out-of-pocket costs.

It is recommended that the Subcommittee recommend to the Board that the acting General Manager be authorized to execute a contract for auditing services with Bland & Associates for 2006 through 2010, subject to approval as to form by District's legal counsel.

MEMORANDUM

TO: Finance, Expenditures and Legal Subcommittee

SUBJECT: Amendments to District Policy Manual

- a. 1.1 Policy Manual - Definitions
- b. 2.3 Directors – Compensation and Expenses
- c. 14.1 Financial – Investments
- d. 14.2 Financial – Disbursements
- e. 14.3 Financial – Accounting
- f. 14.5 Financial – Fidelity Bonds

DATE: May 10, 2006

FROM: Director John Conley

The following amendments/additions to the P-MRNRD Policy Manual are submitted for Subcommittee consideration. Please note District Policy 1.5 requires that amendments be tabled for one month. Final consideration for adoption will be at the June 8, 2006 Board Meeting.

<u>POLICY</u>	<u>EXPLANATION</u>
<u>1.1 Policy Manual - Definitions</u>	Add Administrative Coordinator, Assistant General Manager and District Accountant to definitions.
<u>2.3 Directors – Compensation and Expenses</u>	Add “subject to any annual limitation provided by law.” in reference to Directors’ per diem.
<u>14.1 Financial - Investments</u>	Authorizes Administrative Coordinator to sign financial documents (investments) if a vacancy exists in either the positions of GM or Assistant GM.
<u>14.2 Financial – Disbursements</u>	Authorizes Administrative Coordinator to sign financial disbursements (checks) if a vacancy exists in either the positions of GM or Assistant GM.
<u>14.3 Financial – Accounting</u>	Includes verbiage indicating that the District is compliant with Internal Revenue Service requirements for an accountable plan. Clarifies allowable expenditures and approval process for Board and General Manager expenses.

<u>14.5 Financial – Fidelity Bonds</u>	Requires Administrative Coordinator to be bonded.
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It is recommended that the Subcommittee recommend to the Board the following:

That the following amendments to the District Policy Manual be tabled for one month pursuant to District Policy 1.5 with final consideration at the June 8, 2006 Board Meeting:

- a. 1.1 Policy Manual – Definitions**
- b. 2.3 Directors – Compensation and Expenses**
- c. 14.1 Financial – Investments**
- d. 14.2 Financial – Disbursements**
- e. 14.3 Financial – Accounting**
- f. 14.5 Financial – Fidelity Bonds**

Agenda Item: 8

Memo(s) for the following agenda item(s) are posted under “Confidential” on the District’s website at www.papionrd.org.

Agenda Item #8: Review and Recommendation on Purchase
 Agreement with Dial Land Development Corp. for
 Property Acquisition at Papio Dam Site 8A