



**Finance, Expenditure & Legal
Subcommittee Meeting
May 10, 2011
7:00 p.m.
(Or immediately following the PPO Subcommittee meeting)
Agenda**

Finance, Expenditure & Legal Subcommittee Members:

Rich Tesar, Chairperson
Jim Thompson, Vice-Chairperson
Larry Bradley
John Conley
Dorothy Lanphier

Alternate Members: Fred Conley
Rick Kolowski

Staff Liaison: Jim Becic *
Jerry Herbster
Carey Fry
Brian Henkel
Lori Laster

1. Meeting Called to Order – Chairperson Tesar
2. Notification of Open Meetings Act Posting and Announcement of Meeting Procedure – Chairperson Tesar
3. Quorum Call
4. Adoption of Agenda
5. Proof of Publication of Meeting Notice
6. Review and Recommendation on Refinancing Debt Service for Washington County Rural Water #2 – Dick Sklenar; Dan Smith, DA Davidson Company; and Mike Rogers, Baird Holm
7. Review and Recommendation on Account Over 110% of Budget – Acct #0103 551 4400 – Flood Mitigation and Mapping Program Professional Services – Lori Laster
8. Review and Recommendation on Purchase Agreement with Omaha LCC for a Parcel of Land at the Heron Haven Wetland Restoration Project and Transfer of Funds to COE for Construction – Jim Becic
9. Review and Recommendation on Pigeon/Jones Site 15 Project Right of Way Purchase Agreements [*Executive Session*] – Marlin Peterman, Paul Peters and Chris Pawloski, Midwest Right of Way
10. Adjourn

MEMORANDUM

TO: Finance, Expenditure & Legal Subcommittee

SUBJECT: Refinancing of Revenue Bonds for Washington County Rural Water #2

DATE: April 29, 2011

FROM: Dick Sklenar

In 2005, the Washington County Rural Water #2 system financed its entire construction costs by issuing \$3.4 million in revenue bonds and a \$1.15 million loan from the Washington County Bank. Due to the housing recession, there have been fewer new services than what was originally expected, which resulted in lower revenues than what was forecasted. Fortunately, interest rates are much better than what was experienced 5 years ago.

The refinancing of existing debt (\$2.325 million as of 6/15/11) amounts to calling in current revenue bonds and a reissue of new revenue bonds. The 5-year junior lien loan with the Washington County bank will also be renegotiated, with the principal being reduced to about \$700,000. The firm of D.A. Davidson & Co. will be handling the financial arrangement for the District.

Attached is an estimate of the 2011 revenue bond payment schedule that the rural water system will have for the next 20-year period. Also attached, is Mike Rogers (District's bond counsel) recommended resolutions.

- **It is recommended by Management that the Subcommittee recommend to the Board of Directors the attached resolutions.**

Memorandum

To: Finance, Expenditure & Legal Subcommittee

Re: Account 01-03-551-4400 – Flood Mitigation and Mapping Program Professional Services

Date: April 29, 2011

From: Lori Ann Laster, Stormwater Management Engineer

Account # 01-03-551-4400 – Flood Mitigation and Mapping Program Professional Services had a budgeted amount of \$136,000 to continue work on the update to the District's Multi Hazard Mitigation Plan. Currently \$140,872.66 has been expended in this account. Staff anticipated that an additional \$47,200 would be expended for the contract in Fiscal Year 2012. However, the draft plan was submitted to FEMA for review in January and approved with no revisions. Therefore, the project is ahead of schedule. Staff estimates that an additional \$26,200 could be expended on this project prior to the end of Fiscal Year 2011 which would bring the total to \$167,072.66 or 123% of the budgeted amount.

- **Management recommends that the Subcommittee recommend to the Board of Directors that Account # 01-03-551-4400 be allowed to exceed 110% of the budgeted amount.**

MEMORANDUM

To: Finance, Executive and Legislative Subcommittee

Re: Heron Haven Purchase Agreement and Funds Transfer

Date: May 5, 2011

From: Jim Becic

There are two recommendations on this agenda item to consider:

Recommendation Item #1 The Heron Haven site, located immediately north of 114th – 118th and West Maple Road is a naturally occurring oxbow wetland within the Papillion Creek watershed adjacent to the Big Papio Creek. The site was acquired and a Master Plan developed approximately 18 years ago by the Papio-Missouri River Natural Resources District (NRD) and is managed and operated by the non-profit, Friends of Heron Haven as an environmental and education site.

The approximately 10 acre area is bordered by residential and commercial land and has historically experienced drainage, sedimentation and concrete fill over the years prior to the NRD's acquisition. Naturally occurring springs keep the wetlands supplied with a plentiful water supply but the historic concrete fill and sedimentation has degraded the wetlands with cattails and reed canary grass dominating the site. The restoration project for Heron Haven planned by the U.S. Army Corps of Engineers (COE) under their Section 206 authority, for which the NRD is the local non-federal sponsor, is designed to address these and other problems and reestablish a quality and viable wetland for many decades into the future.

As local sponsor, the NRD is required to provide the necessary right of way for the project. A Public Hearing for the acquisition of real property for the project was held by the NRD on December 9, 2010, ostensibly for the potential acquisition of a single, 3.34 acre tract of land in the middle of the project that is owned by an Iowa company - 11402 Evans Omaha LLC (Exhibit "A"). Once the public hearing was completed, an appraisal of the site was finalized and a Purchase Agreement offering the appraised amount was presented to the owners. Attached is a copy of the signed Purchase Agreement for the appraised amount of \$35,100.00. If approved by the Board, the sale closing will be scheduled and the purchased project land rights will be secured to allow the initiation of this restoration project.

- **Management recommends that the Finance, Executive and Legislative Subcommittee recommend to the Board that the General Manager be authorized to fully execute the proposed Purchase Agreement with 11402 Evans Omaha LLC to acquire 3.34 acres for the Heron Haven Wetland Restoration Project for the appraised amount of \$35,100.00.**

Recommendation Item #2 The other approval needed by the Board regarding the Heron Haven restoration is to pay the COE the remaining balance of the District's 35% local share of the estimated total project cost. That remaining balance is \$304, 325.50. (Attached April, 2011 Correspondence from the COE to John Winkler.)

Funding for this restoration project was not included in the NRD's FY 2011 budget since the likelihood of securing federal funding appeared to be minimal for the Section 206 program nationwide and there was little chance that the NRD's request would receive support.

In November, 2010 the COE informed the District that they recently received federal funds for the Design and Implementation of the Heron Haven Section 206 Wetland Restoration project. This federal funding support notification was an unexpected yet welcome surprise. As specified in the COE correspondence, the total project cost was estimated at \$1,594,535 with an NRD contribution (35% Cost Share) of \$558,087 (\$97,860 estimated real estate value and \$460,227 cash). To keep on schedule for a construction start in FY 2011 (federal fiscal year), the NRD needed to send the COE \$155,902.50 as our initial cash contribution by January 1, 2011. This expenditure was authorized by the Board in December, 2010.

The currently requested \$304,325.50 would fulfill the NRD's financial commitments to the COE. It should allow the COE an ample period to review the final design plans, avoid end of their fiscal year delays and to schedule and award the construction contracts needed to complete the project with the fewest possible contracting complications. Also, if this payment is approved and completed in the District's FY-2011, it would assure a timely completion of the project and the District would not need to budget these funds in FY 2012.

- **Management recommends that the Finance, Executive and Legislative Subcommittee recommend to the Board that the General Manager be authorized to make payment in the amount of \$304,325.50 to the U.S. Army Corps of Engineers, Omaha District for the Heron Haven Wetland Restoration Project.**

Agenda Item 9.

9. Review and Recommendation on Pigeon/Jones Site 15 Project Right of Way Purchase Agreements [*Executive Session*] – Marlin Peterman, Paul Peters and Chris Pawloski, Midwest Right of Way

Updated will be given at the FEL Subcommittee.