

**Finance, Expenditure and Legal Subcommittee
Meeting Minutes
November 14, 2006**

A meeting of the Papio-Missouri River Natural Resources District's Finance, Expenditure and Legal Subcommittee was held at the Natural Resources Center, 8901 South 154th Street, Omaha, Nebraska, on November 14, 2006. The meeting was called to order by Chairperson Connealy at 7:00 p.m.

Subcommittee Members Present	Subcommittee Members Absent	Other Directors	Others Present
<hr style="width: 100px; margin-left: 0;"/> Richard Connealy Richard Patterson John Conley Dorothy Lanphier John Schwope **	<hr style="width: 100px; margin-left: 0;"/> Tim Fowler *	<hr style="width: 100px; margin-left: 0;"/> Rich Jansen Fred Conley Jim Thompson Rich Tesar	<hr style="width: 100px; margin-left: 0;"/> P-MRNRD Staff: Marlin Petermann Trent Heiser Jack Lawless Gerry Bowen Paul Woodward Dick Sklenar Paul Peters, Legal Counsel

* Excused Absence

** Alternate Voting Member

ADOPTION OF AGENDA: The Chairperson called for discussion on the tentative agenda.

❖ IT WAS MOVED by Director John Conley, and seconded by Director Schwope, that the agenda be adopted.

Roll call was taken on the motion. The motion carried by a vote of 5-0.

Voting Yea:	Connealy, Patterson, J Conley, Lanphier, Schwope
Voting Nay:	None
Abstain:	None
Excused Absence:	Fowler
Absent:	Fowler

PROOF OF PUBLICATION: Public notice of the meeting was posted at all District offices and in the Omaha World Herald on November 12, 2006. The proof of publication affidavit is included with the file copy of these minutes.

CITY OF BLAIR REQUEST REGARDING COMPENSATION FOR DAMAGES FROM POSPICAL CONSTRUCTION, INC., FOR WASHINGTON COUNTY RURAL WATER #2:

Dick Sklenar opened the discussion by explaining a January 5, 2006 water main break that occurred at a pressure reducing vault in Blair. This was part of the overall development of Washington County Rural Water #2. A settlement by all parties had been reached that will address all claims for the repairs. Discussion ensued.

- ❖ **IT WAS MOVED** by Director Patterson, and seconded by Director Lanphier, that the Subcommittee recommend to the Board of Directors that the Acting General Manager be authorized to execute a Settlement Agreement with the City of Blair, HGM Associates, Inc., and Pospichal Construction Co., calling for Pospichal Construction Co to pay to the City of Blair the sum of \$3,290.00 and the NRD to pay to HGM Associates, Inc. the sum of \$1,710, in settlement of claims pertaining to construction of a 12-inch water main, including a pump station with pressure-reducing valve, at Highway 30 and Davis Street in the City, part of the Washington County Rural Water #2 Project, in the form as negotiated by the Acting General Manager and approved as to form by District Legal Counsel.

Roll call was taken on the motion. The motion carried by a vote of 5-0.

Voting Yea: Connealy, Patterson, J Conley, Lanphier, Schwope
Voting Nay: None
Abstain: None
Excused Absence: Fowler
Absent: Fowler

MOPAC TRAIL (HWY 50 TO LIED BRIDGE) RIGHT-OF-WAY ACQUISITION: Gerry Bowen opened the discussion by explaining the negotiations for three parcels needed to acquire right-of-way for the Mopac Trail. Discussion ensued.

- ❖ **IT WAS MOVED** by Director Patterson and seconded by Director John Conley, that the Subcommittee recommend to the Board that the Acting General Manager be authorized to execute purchase agreements with Albert Heisner Jr. and Sherry Simmons, with Lanny and Linda Smith, and with Richard and Suzanne Lehan to acquire right-of-way for the Mopac Trail (Hwy. 50 to Lied Bridge) Project, in the form as presented to the Subcommittee.

Roll call was taken on the motion. The motion carried by a vote of 5-0.

Voting Yea: Connealy, Patterson, J Conley, Lanphier, Schwope
Voting Nay: None
Abstain: None
Excused Absence: Fowler
Absent: Fowler

PURCHASES AGREEMENTS FOR FLOODWAY PROPERTIES – LOT 32, AND PART OF LOT 38, Q STREET ACRES, OMAHA, NE:

- ❖ **IT WAS MOVED by Director Schwope and seconded by Director Lanphier that the Subcommittee enter into Executive Session for purposes of discussing land rights.**

Roll call was taken on the motion. The motion carried by a vote of 5-0.

Voting Yea: Connealy, Patterson, J Conley, Lanphier, Schwope
Voting Nay: None
Abstain: None
Excused Absence: Fowler
Absent: Fowler

The Subcommittee went into Executive Session at 7:16 p.m.

- ❖ **It was moved by Director Connealy and seconded by Director Lanphier that the Subcommittee end Executive session.**

Roll call was taken on the motion. The motion carried by a vote of 5-0.

Voting Yea: Connealy, Patterson, J Conley, Lanphier, Schwope
Voting Nay: None
Abstain: None
Excused Absence: Fowler
Absent: Fowler

The Subcommittee returned to Regular Session at 7:39 p.m.

- ❖ **IT WAS MOVED by Director John Conley and seconded by Director Patterson, that the Subcommittee recommend to the Board that the Acting General Manager be authorized to execute the Agreement with Parkway Properties, LLC, providing for the District's purchase of Lot 38 and part of Lot 37 Q Street Acres (1.55 acres) for the sum of \$118,000, in the form as presented to the Subcommittee with an additional provision satisfactory to the Acting General Manager and approved as to form by District Legal Counsel, allowing the present owner to remain in possession until November 30, 2007.**

Roll call was taken on the motion. The motion carried by a vote of 4-1.

Voting Yea: Connealy, Patterson, J Conley, Lanphier
Voting Nay: Schwope
Abstain: None
Excused Absence: Fowler
Absent: Fowler

DISCUSSION OF AUDIT COMMITTEE FOR REVIEW OF FY 2006 AUDIT: Director

Lanphier began the discussion by presenting a Memorandum on Audit Committee – Review of Audit – Process. Discussion ensued.

- ❖ **IT WAS MOVED** by Director Schwope and seconded by Director Lanphier, that the Subcommittee recommend to the Board that the FEL Committee (acting as an audit committee) would meet with Bland and Associates, CPA's to go over the audit before the next subcommittee meeting in December. And further, to discuss adding a CPA that is knowledgeable about government auditing that may act in an advisory capacity to our FEL Committee (acting as an audit committee) so that we might fully understand the audit report.

There was considerable discussion about possible amendments to the original motion. Marlin Petermann noted that the 2006 audit should be available for submittal to the Board at either the Thursday Board meeting or shortly thereafter.

Roll call was taken on the motion. The motion failed by a vote of 1-yea and 4-nay.

Voting Yea:	Lanphier
Voting Nay:	Connealy, Patterson, J Conley, Schwope
Abstain:	None
Excused Absence:	Fowler
Absent:	Fowler

FEL Chairman Connealy announced that he would be calling a special FEL Subcommittee meeting prior to the December Board meeting to review the audit with the District's auditors.

ADJOURNMENT: Being no further business, the meeting adjourned at 8:08 p.m.