

# NEBRASKA NATURAL RESOURCES COMMISSION

Water Sustainability Fund

Application for Funding

Section A.

## ADMINISTRATIVE

PROJECT NAME: **Naval Ammunition Depot Groundwater Enhancement and Preservation Project**

### PRIMARY CONTACT INFORMATION

Entity Name: Sanitary & Improvement District #1 of Clay County, Nebraska

Contact Name: Jeff Lavene

Address: 113 Road 3168, Hastings, NE 68901

Phone: 402-463-5040

Email: jeff@wilsoncase.com

Partners / Co-sponsors, if any: [Click here to enter text.](#)

1. Dollar amounts requested: (Grant, Loan, or Combination)

Grant amount requested. \$1,050,000

Loan amount requested. \$None

If Loan, how many years repayment period? N/A

If Loan, supply a complete year-by-year repayment schedule.  
N/A

2. Permits Needed- Attach copy for each obtained (N/A = not applicable)

Nebraska Game & Parks Commission  
(G&P) consultation on Threatened and  
Endangered Species and their Habitat

N/A  Obtained: YES  NO

Surface Water Right N/A  Obtained: YES  NO

USACE (e.g., 404 Permit) N/A  Obtained: YES  NO

Cultural Resources Evaluation N/A  Obtained: YES  NO

Other (provide explanation below) N/A  Obtained: YES  NO

The SID is proposing to reconstruct in whole an existing water system which has been in existence since the early 1940's, when it was constructed to provide water service to the newly created Naval Ammunition Depot. The SID water system receives its water by direct connection with the water system of Hastings Utilities, which is responsible for all permits which are required to be obtained for their water system.

3. Are you applying for funding for a combined sewer over-flow project?

YES  NO

If yes, do you have a Long Term Control Plan that is currently approved by the Nebraska Department of Environmental Quality?

YES  NO

If yes attach a copy to your application. [Click here to enter text.](#)

If yes what is the population served by your project? [Click here to enter text.](#)

If yes provide a demonstration of need. [Click here to enter text.](#)

If yes and you were approved for funding in the most recent funding cycle, then resubmit the above information updated annually but you need not complete the remainder of the application.

4. If you are or are representing an NRD, do you have an Integrated Management Plan in place, or have you initiated one?

N/A  YES  NO

5. Has this application previously been submitted for funding assistance from the Water Sustainability Fund and not been funded?

YES  NO

If yes, have any changes been made to the application in comparison to the previously submitted application?



**The SID has received substantial new information about the proposed project and is including the same in this new Application.**

If yes, describe the changes that have been made since the last application.

**The Frontwater Engineering LLC engineering data has been received and further evaluated and a more complete description of the planned project has been presented.**

No, I certify the application is a true and exact copy of the previously submitted and scored application. (Signature required)[Click here to enter text.](#)

6. Complete the following if your project has or will commence prior to next July 1<sup>st</sup>.

As of the date of submittal of this application, what is the Total Net Local Share of Expenses incurred for which you are asking cost share assistance from this fund? \$ **None**

Attach all substantiating documentation such as invoices, cancelled checks etc. along with an itemized statement for these expenses. Not Applicable

Estimate the Total Net Local Share of Expenses and a description of each you will incur between the date of submittal of this application and next July 1<sup>st</sup> for which you are asking cost share assistance from this fund.

**The SID intends to contract for the technical drawings and legal documentation necessary to request bids for construction of the replacement water system prior to July 1, 2018, and to cause the commencement of said construction as soon as possible thereafter, in a total construction cost which is estimated to be \$1,750,000.**

Section B.

DNR DIRECTOR'S FINDINGS

Does your project include physical construction (defined as moving dirt, directing water, physically constructing something, or installing equipment)?

YES  NO

1(a). If yes (structural), submit a feasibility report (to comply with Title 261, CH 2) including engineering and technical data and the following information:

**See attached Estimates & Drawings done by Frontwater Engineering LLC c/o Dana Peterson P.E.**

A discussion of the plan of development (004.01 A);

**The SID has obtained from Frontwater Engineering LLC the attached plan and estimated cost for the reconstruction in whole of the SID's water distribution system, which provide water for human consumption and commercial use to 25 customers, serving approximately 274 people on a daily basis, and fire-fighting capacity for a large business employing an additional 210-250 persons.**

A description of all field investigations made to substantiate the feasibility report (004.01 B);

**Dana Peterson P.E. has performed the necessary field investigations in order to substantiate the conclusions he reached in the Frontwater Engineering LLC report which is the primary basis for the project being proposed for funding.**

Maps, drawings, charts, tables, etc., used as a basis for the feasibility report (004.01 C);

**The attached maps show the proposed route of the reconstructed water distribution system, including an alternative route if one of the major businesses chooses not to participate in the funding of its project.**

A description of any necessary water and land rights and pertinent water supply and water quality information, if appropriate (004.01 D);

**All of the water and land rights and water supply and water quality information are already owned by the SID, because the water system is presently in operation at the same location, providing the same services as are proposed to be provided by the reconstructed water system.**

A discussion of each component of the final plan including, when applicable (004.01 E);



Required geologic investigation(004.01 E 1);

**The SID does not feel that additional geologic investigations are necessary, as the water system presently in place will not be disturbed but will be replaced with a water system made with modern materials in the same location as it exists at the present time.**

Required hydrologic data(004.01 E 2);

**The SID does not feel that additional hydrologic investigations are necessary, as the water system presently in place will not be disturbed but will be replaced with a water system made with modern materials in the same location as at present.**

Design criteria for final design including, but not limited to, soil mechanics, hydraulic, hydrologic, structural, embankments and foundation criteria(004.01 E 3).

**The SID will be contracting for the necessary construction services and will expect the contractor to be qualified to design the appropriate construction parameters necessary to complete the plan.**

- 1(b). If no (non-structural), submit data necessary to establish technical feasibility including, but not limited to the following(004.02):

A discussion of the plan of development(004.02 A);

Click here to enter text.

A description of field or research investigations utilized to substantiate the project conception(004.02 B);Click here to enter text.

A description of the necessary water and/or land rights, if applicable(004.02 C); Click here to enter text.

A discussion of the anticipated effects, if any, of the project upon the development and/or operation of existing or envisioned structural measures including a brief description of any such measure(004.02 D).

Click here to enter text.

2. Provide evidence that there are no known means of accomplishing the same purpose or purposes more economically, by describing the next best alternative.

**The SID has expended \$41,534 in the fiscal year 2015/2016, \$31,317 of which has been expended in repairing leaks to the SID's water system. In spite of that expenditure, no impact has been seen on the amount of water lost from the system. At the present time approximately 90% of the water provided to the**



system is lost between the connection point where Hasting Utilities provides water to the SID and the meters where the SID's customers eventually receive water from that system. The SID is unable to ascertain where that lost water is leaving the system and has decided and had recommendations by Frontwater Engineering that complete replacement of the system is the only feasible way to end the loss of such a substantial amount of water.

3. Document all sources and report all costs and benefit data using current data, (commodity prices, recreation benefit prices, and wildlife prices as prescribed by the Director) using both dollar values and other units of measurement when appropriate (environmental, social, cultural, data improvement, etc.). The period of analysis for economic feasibility studies shall be fifty (50) years or with prior approval of the Director, up to one hundred (100) years[T261 CH 2 (005)].
  - Describe any relevant cost information including, but not limited to the engineering and inspection costs, capital construction costs, annual operation and maintenance costs, and replacement costs. Cost information shall also include the estimated construction period as well as the estimated project life(005.01).

The SID water system, in calendar year 2016, received 31,447 units from the Hastings Utilities water system, and of that amount, only 3,698 units of water was billed to and used by SID customers, leaving 27,729 units of water lost from the system. The main benefit of this project is that those lost water units will no longer be removed from the undergroundwater table, and will be available for other productive, beneficial uses. At the price charged by the SID to its customers (\$4.63 per unit) for water, the 27,729 units of lost water is worth \$128,385. Over the 50 year period allowed for economic feasibility studies, that lost water would be worth \$6,429,263.

- Only primary tangible benefits may be counted in providing the monetary benefit information and shall be displayed by year for the project life. In a multi-purpose project, estimate benefits for each purpose, by year, for the life of the project. Describe any intangible or secondary benefits separately. In a case where there is no generally accepted method for calculation of primary tangible benefits describe how the project will increase water sustainability, such that the economic feasibility of the project can be approved by the Director and the Commission(005.02).

See the attached Table for a calculation of the net benefit of this project over 10 and 30 year time frames. It is estimated that the improvements to be completed with this project will last and thus have benefits to the public substantially in excess of 30 years.

- All benefit and cost data shall be presented in a table form to indicate the annual cash flow for the life of the proposal, not to exceed 100 years(005.03).

**See the attached Table for a calculation of the net benefit of this project over a 10 and 30 year time frame. It is estimated that this project will last and thus provide benefits to the public substantially in excess of 30 years.**

- In the case of projects for which there is no generally accepted method for calculation of primary tangible benefits and if the project will increase water sustainability, the economic feasibility of such proposal shall be demonstrated by such method as the Director and the Commission deem appropriate (005.04).Click here to enter text.
4. Provide evidence that sufficient funds are available to complete the proposal.

**The SID is authorized by Nebraska law to levy real estate taxes on the properties located within the SID, and presently collects approximately \$50,000 annually from those taxes. The SID will be arranging with suitable financial institutions to borrow the remainder of the funding needed to complete this project, and intends to pay the required payments on said borrowed funds from the real estate taxes and from the revenues received by the SID from the sale of water to SID customers.**

5. Provide evidence that sufficient annual revenue is available to repay the reimbursable costs and to cover OM&R (operate, maintain, and replace).

**The billing costs of the SID presently are paid by Hastings Utilities, as the provider of water to the SID's water system, from the gross proceeds received by the SID from its customers for the water so used by those customers. The operation and maintenance costs are paid by the SID, and will continue to be so paid from the real estate taxes and water sale revenues available to the SID.**

6. If a loan is involved, provide sufficient documentation to prove that the loan can be repaid during the repayment life of the proposal.

**Not Applicable, as no loan is being requested from the Water Sustainability Fund.**

7. Describe how the plan of development minimizes impacts on the natural environment.

**The proposed project will significantly benefit the natural environment because approximately 90% of the water received by the SID for subsequent distribution to the SID's customers is lost before it is delivered to the SID's customers, thus**



**resulting in the inefficient use of a precious natural resource which is of limited supply.**

8. Explain how you are qualified, responsible and legally capable of carrying out the project for which you are seeking funds.

**The SID intends to contract with a licensed professional engineering firm for the services needed to design, bid out and oversee the construction of the proposed project. That work may be performed by Hastings Utilities, Hastings, Nebraska, which is a Class II water provider presently providing safe and reliable drinking water to over 25,000 residents of Hastings.**

9. Explain how your project considers plans and programs of the state and resources development plans of the political subdivisions of the state.

**Water is a public resource owned by Nebraska citizens, and thus the more efficient use made of that public resource will keep it available for beneficial uses to the benefit of all Nebraskans. Hastings Utilities is presently involved in a public works project with an estimated cost of \$45 Million. This project will enable the SID to reduce the demand for water provided by Hastings Utilities and thus will enable Hastings Utilities to reduce the likelihood of needing to spend the total amount projected to be spent on their nitrate and uranium removal project.**

10. Are land rights necessary to complete your project?

YES  NO

If yes, provide a complete listing of all lands involved in the project.

**If the SID has to design the project to exclude the land of a large manufacturing business which is presently able to be served by the SID's water system, the SID may have to obtain easements from certain private businesses to enable the water line to legally transit those businesses' properties. The SID is confident that it can obtain those easements for little or no compensation, as those businesses are presently a part of the SID and are either current customers, or potential customers of the SID's water system.**

If yes, attach proof of ownership for each easements, rights-of-way and fee title currently held.

**The Deed by which the SID obtained title to the water system it owns, and the easements upon which it is located, is attached as an Exhibit. The water system has been in existence since the early 1940's, and was constructed by the US Government as a part of the war effort during World War II.**

If yes, provide assurance that you can hold or can acquire title to all lands not currently held.



**The Nebraska statutes provide that Sanitary & Improvement Districts are entitled to be formed for the purpose of installing water systems (Section 31-727(1)(a), NRS) and may acquire real or personal property necessary for its corporate purposes (Section 31-736, NRS).**

11. Identify how you possess all necessary authority to undertake or participate in the project.

**The Nebraska statutes provide that Sanitary & Improvement Districts are entitled to be formed for the purpose of installing water systems (Section 31-727(1)(a), NRS) and may acquire real or personal property necessary for its corporate purposes (Section 31-736, NRS).**

12. Identify the probable environmental and ecological consequences that may result as the result of the project.

**Upon completion of this water project it is expected that the water lost in its transportation from the Hastings Utilities water system to the SID's water users and customers will be reduced to a normal percentage in the range of 11% (which is the present efficiency of Hastings Utilities system), which will be of great benefit in making sure that groundwater which is removed from the Ogallala Acquirer is only removed for appropriate beneficial uses.**

## Section C.

### NRC SCORING

In the NRC's scoring process, points will be given to each project in ranking the projects, with the total number of points determining the final project ranking list.

The following 15 criteria constitute the items for which points will be assigned. Point assignments will be 0, 2, 4, or 6 for items 1 through 8; and 0, 1, 2, or 3 for items 9 through 15. Two additional points will be awarded to projects which address issues determined by the NRC to be the result of a federal mandate.

#### Notes:

- The responses to one criterion *will not* be considered in the scoring of other criteria. Repeat references as needed to support documentation in each criterion as appropriate. The 15 categories are specified by statute and will be used to create scoring matrixes which will ultimately determine which projects receive funding.
- There is a total of 69 possible points, plus two bonus points. The potential number of points awarded for each criteria are noted in parenthesis. Once points are assigned, they will be added to determine a final score. The scores will determine ranking.
- The Commission recommends providing the requested information and the requests are not intended to limit the information an applicant may provide. An applicant should include additional information that is believed will assist the Commission in understanding a proposal so that it can be awarded the points to which it is entitled.

Complete any of the following (15) criteria which apply to your project. Your response will be reviewed and scored by the NRC. Place an N/A (not applicable) in any that do not apply, an N/A will automatically be placed in any response fields left blank.

1. Remediates or mitigates threats to drinking water;
  - Describe the specific threats to drinking water the project will address.

**The SID water system is losing approximately 90% of the water provided to the system by Hastings Utilities, its water provider. This loss of water, and the payment to Hastings Utilities of the cost of receiving it, has resulted in the SID being unable to financially maintain the system and to provide for the other required expenditures by political subdivisions in the State of Nebraska, such as for required insurance, licensed water operators, budget notices and**



requirements, etc., within the constraints of the financial resources reasonably available to the SID.

- Identify whose drinking water, how many people are affected, how will project remediate or mitigate.

Approximately 274 persons work at businesses which receive their drinking water from the SID water system. Upon completion of this project the water system providing drinking water to those persons will be assured of existence into future years.

- Provide a history of issues and tried solutions.

The water system has been owned by private entities from its acquisition from the US Government in the November, 1968 until the SID acquired it in 2014. The SID is aware that prior private owners expended significant funds in attempting to fix fire hydrants, and find water leaks in the system, but upon acquisition of the water system by the SID, the system still lost approximately 90% of the water provided to the water system by Hastings Utilities, and several of the fire hydrants which had previously been operational on the system had been removed or were no longer operational. Since then the SID has replaced all of the water meters of the customers receiving water through the SID water system, in an attempt to find out whether “slow running” meters are a part of the problem with the system losing water, has repaired one leaking fire hydrant, and has engaged a private plumber to fix other leaking pipes in the water system as the same are found. None of those efforts has had a substantial impact on reducing the lost water from the system.

- Provide detail regarding long range impacts if issues are not resolved.

If the SID is unable to obtain funding for the replacement of its water system, at some point the SID may be required to shut down the water system, and the private customers presently receiving water service from this water system will have to obtain drinking water and process water used in the customers’ manufacturing operations from other sources, such as trucked water, private water wells (which maynot be possible, as the SID is located inside of an area with substantial groundwater pollution), or other potential sources, and the fire-fighting capacity which the water system brings to the NAD area will be lost forever.

Click here to enter text.

2. Meets the goals and objectives of an approved integrated management plan or ground water management plan;
  - Identify the specific plan that is being referenced including date, who issued it and whether it is an IMP or GW management plan.



- Provide the history of work completed to achieve the goals of this plan.
- List which goals and objectives of the management plan the project provides benefits for and how the project provides those benefits.

**“The Little Blue Natural Resources District has implemented a groundwater management plan (GMP) governing its activities in the management of the area’s groundwater resources. The General Manager of that District has informed the SID that this project will provide assistance in meeting key goals of the GMP which include reducing groundwater waste and preserving the groundwater resources underlying the NRD to help ensure that the resource is available to meet the future water demands of the NRD.**

3. Contributes to water sustainability goals by increasing aquifer recharge, reducing aquifer depletion, or increasing streamflow;

List the following information that is applicable:

- The location, area and amount of recharge;
- The location, area and amount that aquifer depletion will be reduced;
- The reach, amount and timing of increased streamflow. Describe how the project will meet these objectives and what the source of the water is;
- Provide a detailed listing of cross basin benefits, if any.

**While this project may increase the amount of water contained in the undergroundwater table, on account of the large amount of water which is lost to the SID in providing the water service to its customers, said increase is the result of an inefficient and wasteful system which provides a significant portion of its water in amanner which does not make beneficial use thereof.**

4. Contributes to multiple water supply goals, including, but not limited to, flood control, agricultural use, municipal and industrial uses, recreational benefits, wildlife habitat, conservation of water resources, and preservation of water resources;

- List the goals the project provides benefits.
- Describe how the project will provide these benefits
- Provide a long range forecast of the expected benefits this project could have versus continuing on current path.

**This project will enhance agricultural, municipal and industrial uses by eliminating the waste of water being provided to the SID’s water systemand thereby increasing the amount of groundwater which is available for agricultural and municipal and industrial beneficial uses. Approximately 27,750 units (20,756,252 gallons) of water are lost each year, with no beneficial use being madeof that water, on account of the decrepit and leaking condition of the SID’s water system. The reconstruction of this water system, with modern construction**



**techniques and materials, will result in those lost gallons of water being recovered, and retained in the groundwater reservoir for other, beneficial uses for the future benefit of all Nebraskans.**

5. Maximizes the beneficial use of Nebraska's water resources for the benefit of the state's residents;
  - Describe how the project will maximize the increased beneficial use of Nebraska's water resources.
  - Describe the beneficial uses that will be reduced, if any.
  - Describe how the project provides a beneficial impact to the state's residents.

**This project will enhance agricultural, municipal and industrial uses by eliminating the waste of water being provided to the SID's water system and thereby increasing the amount of groundwater which is available for agricultural and municipal and industrial beneficial uses. Approximately 27,750 units (20,756,252 gallons) of water are lost each year, with no beneficial use being made of that water, on account of the decrepit and leaking condition of the SID's water system. The reconstruction of this water system, with modern construction techniques and materials, will result in those lost gallons of water being recovered, and retained in the groundwater reservoir for other, beneficial uses for the future benefit of all Nebraskans.**

6. Is cost-effective;
  - List the estimated construction costs, O/M costs, land and water acquisition costs, alternative options, value of benefits gained.
  - Compare these costs to other methods of achieving the same benefits.
  - List the costs of the project.
  - Describe how it is a cost effective project or alternative.

**The SID has obtained the attached report from a consulting engineer, Frontwater Engineering LLC, which estimates the costs to design, review, acquire any necessary additional easements, and construct a 6.3 mile looped water system in replacement of the present water system, at \$1,750,000 (plus \$71,450 if additional T-L loop is included). The SID is committed to provide funds for the repayment of a loan of approximately \$700,000, and to pay the additional costs of operating and maintaining the reconstructed water system from its real estate taxing authority and from revenues received by the SID from the provision of water to its customers. If this grant is not funded, and the SID is required to continue to repair and maintain the current decrepit and leaking water system from its sources of funding, it is likely that at some point in the near future the property owners in the SID will no longer be willing to support the provision of real estate taxes at a level required to repair and maintain that system. Then the SID and water users will be faced with alternative sources which will at best be expensive, wasteful of private resources, and will even then no longer provide the fire-**



**fighting capacity which is available to the property owners by reason of the use of the present water system.**

7. Helps the state meet its obligations under interstate compacts, decrees, or other state contracts or agreements or federal law;
  - Identify the interstate compact, decree, state contract or agreement or federal law.
  - Describe how the project will help the state meet its obligations under compacts, decrees, state contracts or agreements or federal law.
  - Describe current deficiencies and document how the project will reduce deficiencies.

**While there is no interstate compact directly involved with this project, the water being saved by the reconstruction of this decrepit and leaking water system will thus remain in the groundwater system and be available for beneficial use by other appropriate users in the Little Blue River system, and thus will enable the agricultural and municipal and industrial water users adversely impacted by any restrictions of an interstate compact better able to deal with those impacts.**

8. Reduces threats to property damage or protects critical infrastructure that consists of the physical assets, systems, and networks vital to the state or the United States such that their incapacitation would have a debilitating effect on public security or public health and safety;
  - Identify the property that the project is intended to reduce threats to.
  - Describe and quantify reductions in threats to critical infrastructure provided by the project and how the infrastructure is vital to Nebraska or the United States.
  - Identify the potential value of cost savings resulting from completion of the project.
  - Describe the benefits for public security, public health and safety.

**There are land and buildings with \$19,769,304 of assessed value located in the SID and in addition there are substantial additional land and buildings of adjacent businesses. Those businesses, collectively, employ approximately 500 employees, all of which will be better protected from damage by fire on account of the fire-fighting capacity which the SID's water system provides to those buildings and persons. The availability of immediately accessible water for fire-fighting use is often the difference between a small loss, or a total loss of damage to property, and can be the difference between little or no personal injury and loss of life in the event of a fire.**

9. Improves water quality;
  - Describe what quality issue(s) is/are to be improved.



- Describe and quantify how the project improves water quality, what is the target area, what is the population or acreage receiving benefits, what is the usage of the water: residential, industrial, agriculture or recreational.
- Describe other possible solutions to remedy this issue.
- Describe the history of the water quality issue including previous attempts to remedy the problem and the results obtained.

A decrepit and leaking water delivery system is one which is at significantly higher risk of adverse quality problems through the infiltration of water into the system from those leaking pipes. Those water pipes are made of transite pipe, an asbestos containing material which, if disturbed, could create significant health problems for those persons working on the water system. The SID water system provides water service to 25 customers through 41 total water meters, and also provides potential water delivery to 62 additional buildings which, at present have not installed water service to their buildings. Those buildings and the adjacent land cover approximately 375 acres. There is one residence in the SID, so almost all of the water users on the SID's water system are using the water for either drinking water by their employees, or in the manufacturing processes of their businesses. The SID has attempted to address its water leakage problem by replacing all of the water meters of its customers, inspecting each of the water services of its customers to verify that there are no unmetered connections to the SID's water system, and has repaired any and all leaks which have come to the attention of the SID. To date none of those efforts have significantly reduced the amount of water being lost from the SID's water system.

10. Has utilized all available funding resources of the local jurisdiction to support the program, project, or activity;

- Identify the local jurisdiction that supports the project.
- List current property tax levy, valuations, or other sources of revenue for the sponsoring entity.
- List other funding sources for the project.

The SID has consulted with Olson & Associates, Frontwater Engineering LLC, and Johnson Controls, and with the US Dep't of Agriculture Rural Development Department, the Nebraska Rural Water Association, the Nebraska Department of Natural Resources, the Nebraska Department of Health & Human Services, the Nebraska Department of Economic Development, the Nebraska Environmental Trust, the Nebraska League of Municipalities, the Little Blue Natural Resources District, the South Central Nebraska Economic Development agency and the Hastings Rural Fire District, in addressing the issues which the proposed project is meant to resolve. The following entities have provided official support for this project: City of Hastings Nebraska and the Little Blue Natural Resources District. SID 2016: Property Tax Levy - \$.257976; Assessed Valuation - \$19,769,314; Net Water Revenue - \$3,818.08 (Gross Water Revenue - \$41,280.71, less cost of "lost water" of \$34,289.32, less Operating Costs paid to Hastings Utilities of \$3,173.31).



**The other potential funding source, in addition to this grant, is financing which the SID intends to receive from a local financial institutions, perhaps through the Nebraska Revolving Loan Fund.**

11. Has a local jurisdiction with plans in place that support sustainable water use;

- List the local jurisdiction and identify specific plans being referenced that are in place to support sustainable water use.
- Provide the history of work completed to achieve the goals of these plans.
- List which goals and objectives this project will provide benefits for and how this project supports or contributes to those plans.
- Describe and quantify how the project supports sustainable water use, what is the target area, what is the population or acreage receiving benefits, what is the usage of the water: residential, industrial, agriculture or recreational.
- List all stakeholders involved in project.
- Identify who benefits from this project.

**The SID is the local jurisdiction overseeing this project. The SID is included in the area covered by Little Blue Natural District's Institutional Management Plan. During the 3 years of its existence the SID has paid for the installation of new flow meters for all its water customers, which holds users accountable for their water consumption and assures accuracy in the determination of the amount of water being used by those businesses. The SID has also expended substantial time and expense in attempting to find the cause of the large loss of water from the system and has incurred significant expense in repairing leaks from the system when the same are found. However, with the extreme loss of water caused by the condition of the SID's water system, efficiency of use by the SID's water customers has only a limited effect on assuring the conservation of our underground water table. The 274 employees and 25 businesses being served by the SID's water system will be the direct beneficiaries of this project, and the approximately 250 employees of a large adjacent business and all 25,000 citizens of Hastings, and customers of Hastings Utilities will be indirect beneficiaries of this project as it will reduce the necessity the provide for additional capacity to treat water provided by Hastings Utilities to its customers for the removal of nitrates and uranium from the water provided by that Utility.**

12. Addresses a statewide problem or issue;

- List the issues or problems addressed by the project and why they should be considered statewide.
- Describe how the project will address each issue and/or problem.
- Describe the total number of people and/or total number of acres that would receive benefits.
- Identify the benefit, to the state, this project would provide.



The beneficial and efficient use of Nebraska's publicly owned groundwater is of importance to all Nebraskans. Any activity which interferes with that beneficial and efficient water use in Nebraska is a problem. Twenty-five businesses with \$19,769,314 of assessed value, 274 employees of those businesses, and 210-250 additional employees of business receiving access to SID provided water for fire-fighting purposes will be benefitted by the granting of this request and the reconstruction of this water system. The State of Nebraska will be benefitted by the reduction of the loss of water from the SID water system and that water remaining in the groundwater system, thus leaving that water available for use by other Nebraska water users or if needed to satisfy the State's responsibility under interstate compacts with other States.

13. Contributes to the state's ability to leverage state dollars with local or federal government partners or other partners to maximize the use of its resources;

- List other funding sources or other partners, and the amount each will contribute, in a funding matrix.
- Describe how each source of funding is made available if the project is funded.
- Provide a copy or evidence of each commitment, for each separate source, of match dollars and funding partners.
- Describe how you will proceed if other funding sources do not come through.

The SID intends to provide for the funding of the remainder of the costs of this project from real estate taxes and water revenues of the SID from its customers. Those funds will be used as the source of funding to make the payments on a loan from State or other private sources. The SID intends to apply for funding from the Nebraska State Revolving Loan Fund, and if that application is not approved, the SID will be seeking to obtain private loan funding for the remainder of the project costs.

14. Contributes to watershed health and function;

- Describe how the project will contribute to watershed health and function in detail and list all of the watersheds affected.

This project will contribute to watershed health and function by leaving 20,756,252 gallons of water in the groundwater reservoir available for other beneficial uses. The Little Blue Natural District watershed will be impacted because the source of water for the Hastings Utilities water delivery system is from the groundwater table which is located in that river system.

15. Uses objectives described in the annual report and plan of work for the state water planning and review process issued by the department.

- Identify the date of the Annual Report utilized.

- List any and all objectives of the Annual Report intended to be met by the project
- Explain how the project meets each objective.

**We used the Annual report and plan of work for the Nebraska Planning and Review Process dated September 2016**

**Objective 1. Maintain data, information and analysis capabilities for water planning, including specific programs for collecting, maintaining and distributing information on stream flows, as well as analyzing water uses and water supplies across the state.**

**Objective 2. Provide staff and resources to support planning for managing and implementation of water resources projects.**

**Objective 3. Support locally developed water management plans for managing hydrologically connected water supplies.**

**Objective 5. Provide coordination of federal agencies, state agencies, local natural resource districts (NRD) and other water interest for the development of water resource programs and projects.**

**The Little Blue Natural Resource District has implemented a Groundwater Management Plan (GMP) governing its activities in the management of the areas groundwater resources. The General Manager of that District has informed the SID that this project will provide assistance in meeting key goals of the GMP. Which include reducing groundwater waste and preserving the groundwater resources underlying the NRD to help ensure that the resource is available to meet future water demands of the NRD.**

**The SID project will aid in the preservation of precious clean water supplied by Hastings Utilities to the SID.**

**Replacing the SID system will help ensure that the clean water we are receiving now will not be leaked into an area that is known to have contaminated water.**

**We will know that we will saving over 20 million gallons of clean water for future use that can be managed by various involved agencies.**

**16. Federal Mandate Bonus. If you believe that your project is designed to meet the requirements of a federal mandate which furthers the goals of the WSF, then:**

- Describe the federal mandate.
- Provide documentary evidence of the federal mandate.
- Describe how the project meets the requirements of the federal mandate.



- Describe the relationship between the federal mandate and how the project furthers the goals of water sustainability.

The SID's water system was constructed in the 1940's using transite pipe, an asbestos containing material. It is well understood that the Federal government has made a concerted effort to remove asbestos from all public buildings and has strictly regulated its disposal in public and private landfills. It is expected that upon the completion of the construction of the proposed new water system the existing transite pipe water system will be left *in situ*, but will no longer be used to provide water service for human consumption, nor will there be any need for private contractors working on the transite pipe water system to disturb that pipe, and thus the possibility of damage to human health and any contamination of the environment from contact with and work being performed on that asbestos containing material will be eliminated.

## Section D.

### PROJECT DESCRIPTION

#### 1. Overview

In 1,000 characters *or less*, provide a brief description of your project including the nature and purpose of the project and objectives of the project.

**Sanitary & Improvement District #1 of Clay County, Nebraska, a recently formed Nebraska sanitary & improvement district, which is a political subdivision with real estate taxing authority, intends to reconstruct in whole a water system which was originally constructed in the early 1940's to provide water service to a then newly-constructed Naval Ammunition Depot, and which now provides water service for drinking water and manufacturing process use to approximately 25 private business, employing 274 persons, and fire-fighting water capacity to those businesses and to another large adjacent business employing another 210-250 persons, which water system loses about 90% of the water provided to the system by Hastings Utilities.**

#### 2. Project Tasks and Timeline

Identify what activities will be conducted by the project. For multiyear projects please list what activities are to be completed each year.

**The funds to be provided from the Nebraska Water Sustainability Fund will be used to pay for costs of design and construction of a water system containing approximately 6.3 miles of transite pipe and providing water service to 25 private business for drinking and manufacturing process purposes, and will provide water for fire-fighting capacity to those businesses and also to another large business located adjacent to the SID which, together, employ approximately 500 persons on a daily work-week basis.**

#### 3. Partnerships

Identify the roles and responsibilities of agencies and groups involved in the proposed project regardless of whether each is an additional funding source. List any other sources of funding that have been approached for project support and that have officially turned you down. Attach the rejection letter.

**The SID has informally requested funding assistance from the US Dep't of Agriculture Rural Development Department, the Nebraska Rural Water Association, the Nebraska Department of Natural Resources, the Nebraska Department of Health & Human Services, the Nebraska Department of Economic Development, the Nebraska Environmental Trust, the Nebraska League of**



**Municipalities, the Little Blue Natural Resources District, the South Central Nebraska Economic Development agency and the Hastings Rural Fire District. Each of those entities have been unable to assist to date but we are continually working with them.**

4. Other Sources of Funding

Identify the costs of the entire project, what costs each other source of funding will be applied to, and whether each of these other sources of funding is confirmed. If not, please identify those entities and list the date when confirmation is expected. Explain how you will implement the project if these sources are not obtained.

**The SID intends to apply for a \$700,000 loan to pay for the balance of the estimated costs of design and construction which will not be funded with the grant which is the subject of this Application. That application will be made to the Nebraska State Revolving Loan Fund and if it is not successful, the SID will be applying for a loan from an appropriate local financial institution.**

5. Support/Opposition

Discuss both support and opposition to the project, including the group or interest each represents.

**The Board of Trustees of the SID has officially approved this Application and has expressed its support of this project. The SID has requested the support of the Hastings City Council for this project, and has informally been informed by the Mayor of Hastings that City does support this Application. But the City of Hastings has, to date, been unwilling to provide financial assistance to the SID for this project. The SID has requested support of this project from the Little Blue Natural Resources District and is awaiting its reply. There are no known objectors to this project.**

### **List of Exhibits**

1. Section B, Question 1(a) – Frontwater Engineering LLC plan and estimated costs
2. Section B, Question 1(a) – Frontwater Engineering LLC map showing proposed route of water system
3. Section B, Question 3 – Table of net benefit of project
4. Section B, Question 10 – Deed for transfer of water system to SID



*Exhibit #1*



18 Merriweather Dr. 11 • Johnson Lake, NE 68937 • 308.746.2470

**ENGINEER'S OPINION OF  
PROBABLE PROJECT COST**

*Water Distribution System Replacement  
Clay County SID#1  
Hastings, Nebraska*

**WATER MAIN REPLACEMENT (T-L LOOP NOT INCLUDED)**

No.	Description	Estimated Quantity	Unit	Estimated Unit Price	Estimated Total Price
1	Mobilization, Bonds & Insurance	1	L.S.	\$ 23,400	\$ 23,400
2	Furnish & Install Water Main w/Tracer Wire				
	a. 12" Diameter	40	L.F.	\$ 30	\$ 1,200
	b. 8" Diameter	8,500	L.F.	\$ 24	\$ 204,000
	c. 6" Diameter	25,000	L.F.	\$ 20	\$ 500,000
4	Furnish & Install Gate Valve with Box				
	a. 8" Diameter	1	Each	\$ 1,800	\$ 1,800
	b. 6" Diameter	16	Each	\$ 1,250	\$ 20,000
5	Furnish & Install Ductile Iron Fitting				
	a. 6" 90 Degree Bend	2	Each	\$ 350	\$ 700
	b. 6" 45 Degree Bend	8	Each	\$ 300	\$ 2,400
	c. 6" Tee	4	Each	\$ 400	\$ 1,600
	d. 8" x 6" Reducer	3	Each	\$ 300	\$ 900
	e. 8" x 6" Tee	3	Each	\$ 400	\$ 1,200
	f. 12" x 8" Reducer	1	Each	\$ 350	\$ 350
6	Furnish & Install Fire Hydrant Assembly w/Tee, Isolation Valve & Bollards				
	a. 5' Bury	40	Each	\$ 3,500	\$ 140,000
7	Furnish & Install Connection to Existing				
	a. 12" Diameter	1	Each	\$ 1,000	\$ 1,000
8	Furnish & Install Line Stop				
	a. 12" Diameter	1	Each	\$ 2,500	\$ 2,500
	b. 8" Diameter	1	Each	\$ 2,000	\$ 2,000
	c. 6" Diameter	1	Each	\$ 1,500	\$ 1,500
9	Furnish & Install Service Connection (Tap, Saddle, Corp. Stop)				
	a. 3/4" Diameter	27	Each	\$ 500	\$ 13,500
	b. 1" Diameter	5	Each	\$ 600	\$ 3,000
	c. 1-1/2" Diameter	3	Each	\$ 800	\$ 2,400
	d. 2" Diameter	2	Each	\$ 1,000	\$ 2,000
10	Furnish & Install Curb Stop with Box				
	a. 3/4" Diameter	27	Each	\$ 500	\$ 13,500
	b. 1" Diameter	5	Each	\$ 600	\$ 3,000
	c. 1-1/2" Diameter	3	Each	\$ 800	\$ 2,400
	d. 2" Diameter	2	Each	\$ 1,000	\$ 2,000
11	Furnish & Install Meter Pit and Relocate Existing Meter				\$ -
	a. 3/4" Diameter (& 5/8"x3/4")	27	Each	\$ 1,800	\$ 48,600
	b. 1" Diameter	5	Each	\$ 2,000	\$ 10,000
	c. 1-1/2" Diameter	3	Each	\$ 4,500	\$ 13,500
	d. 2" Diameter	2	Each	\$ 5,000	\$ 10,000
12	Furnish & Install Water Service Line w/Tracer Wire				
	a. 3/4" Diameter	1,080	L.F.	\$ 10	\$ 10,800
	b. 1" Diameter	200	L.F.	\$ 12	\$ 2,400
	c. 1-1/2" Diameter	120	L.F.	\$ 15	\$ 1,800
	d. 2" Diameter	80	L.F.	\$ 15	\$ 1,200
13	Terminate Existing Service (Locate, remove, cap, etc.)	37	Each	\$ 2,500	\$ 92,500

Exhibit #1



**ENGINEER'S OPINION OF PROBABLE PROJECT COST**  
Water Distribution System Replacement  
Clay County SID#1  
Hastings, Nebraska

<b>WATER MAIN REPLACEMENT (T-L LOOP NOT INCLUDED) CONT'D</b>					
No.	Description	Estimated Quantity	Unit	Estimated Unit Price	Estimated Total Price
14	Remove & Salvage				
	a. Fire Hydrant	10	Each	\$ 500	\$ 5,000
	b. Gate Valve	0	Each	\$ 500	\$ -
15	Abandon in Place				
	a. Gate Valve	10	Each	\$ 150	\$ 1,500
16	Remove & Replace				
	a. Gravel Surfacing	500	tons	\$ 20	\$ 10,000
	b. White Rock Surfacing	200	tons	\$ 40	\$ 8,000
	c. Concrete Pavement	100	S.Y.	\$ 50	\$ 5,000
17	Furnish & Apply Seeding	8	acre	\$ 2,000	\$ 16,000
18	Furnish & Install Erosion Protection	1	L.S.	\$ 8,000	\$ 8,000
19	Construction Staking	1	L.S.	\$ 3,500	\$ 3,500
	<i>Subtotal Opinion of Probable Construction Cost</i>				<b>\$ 1,194,150</b>
	Construction Contingencies	25	%	\$ 1,194,150	\$ 298,600
	<b>Total Opinion of Probable Construction Cost</b>				<b>\$ 1,492,750</b>
	Engineering Design & Construction Engineering	15	%	\$ 1,492,750	\$ 223,900
	Department of Health & Human Services Review Fee	1	L.S.	\$ 7,600	\$ 7,600
	Easements	1	L.S.	\$ 2,500	\$ 2,500
	Legal, Fiscal, Administrative and Miscellaneous Fees	1	L.S.	\$ 23,250	\$ 23,250
	<b>Total Opinion of Probable Project Cost</b>				<b>\$ 1,750,000</b>

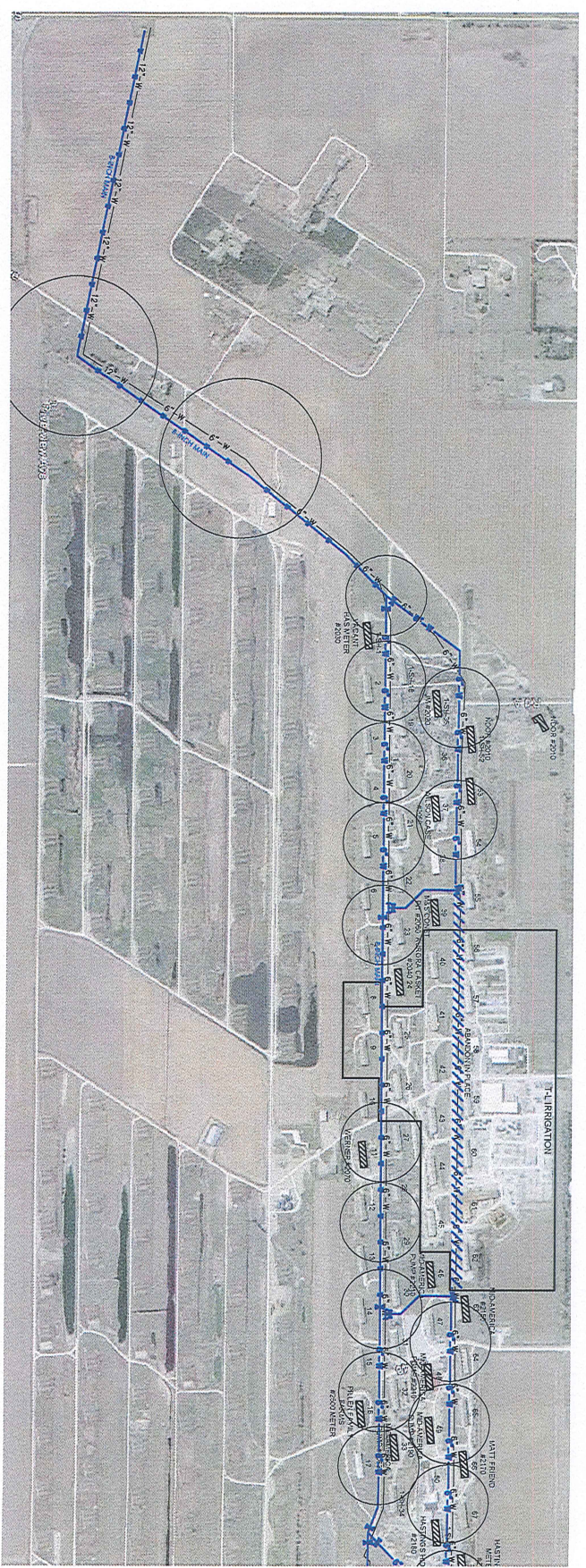
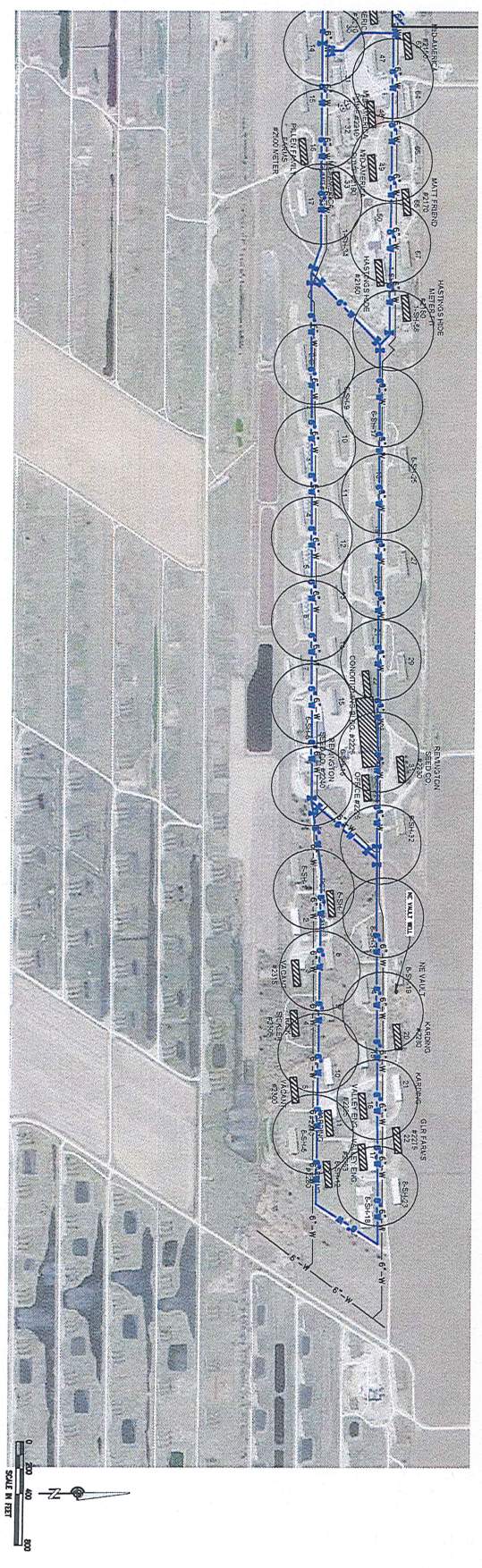
Approximate Annual Payment based upon 3% for 20 years

\$117,627

*Engineer's Opinion of Probable Construction Costs are made based upon Engineer's experience. However, since Engineer has no control over the timing, cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' methods of determining prices, or over competitive bidding or other market conditions, any opinions of cost shall be considered as an estimate. Engineer makes no claims or guarantee of the estimate and its ultimate accuracy when compared to the as bid prices from the contractor(s). This is an estimate, not a bid. The quantities shown are preliminary estimates and will be refined when the project has been designed.*



PLOTTED: 8/15/2016 12:08 PM, SAVED: 8/15/2016 12:08 PM, Project: 0001 - Clay County Sid #1, Clay Co., SD, Inc.



SCALE	1"=60'	HORIZONTAL
PROJECT NO.	001	CLAY CO. SID #1
DATE	08/15/16	
DESIGNED BY		
CHECKED BY		
DATE		
NO.	1	OF 2
DATE		

Clay Co. SID #1 - Water Main Replacement  
**OVERALL PLAN**  
 Hastings, Nebraska

NO.	
DATE	

**Frontwater**  
 Engineering & Construction, LLC  
 18 Merweather Dr. 11 • Johnson Lake, NE 68037 • 308.746.2470



Exhibit #2



**ENGINEER'S OPINION OF PROBABLE PROJECT COST**  
 Water Distribution System Replacement  
 Clay County SID#1  
 Hastings, Nebraska

CONNECTIONS/LOOP (T-L IRRIGATION)					
No.	Description	Estimated Quantity	Unit	Estimated Unit Price	Estimated Total Price
1	Mobilization, Bonds & Insurance	1	L.S.	\$ 1,000	\$ 1,000
2	Furnish & Install Water Main w/Tracer Wire				
	a. 6" Diameter	1,200	L.F.	\$ 25	\$ 30,000
4	Furnish & Install Gate Valve with Box				
	a. 6" Diameter	2	Each	\$ 1,500	\$ 3,000
5	Furnish & Install Ductile Iron Fitting				
	a. 6" 90 Degree Bend	2	Each	\$ 350	\$ 700
	b. 6" 45 Degree Bend	2	Each	\$ 300	\$ 600
6	Furnish & Install Tapping Tee and Valve				
	a. 6" Diameter	2	Each	\$ 3,000	\$ 6,000
7	Furnish & Install Fire Hydrant Assembly w/Tee, Isolation Valve & Bollards				
	a. 5.5' Bury	2	Each	\$ 3,500	\$ 7,000
8	Furnish & Install Connection to Existing				
	a. 6" Diameter	2	Each	\$ 750	\$ 1,500
9	Furnish & Apply Seeding	0.5	acre	\$ 2,000	\$ 1,000
					\$ -
					\$ -
				<i>Subtotal Opinion of Probable Construction Cost</i>	<i>\$ 50,800</i>
	Construction Contingencies	20	%	\$ 50,800	\$ 10,200
				<b>Total Opinion of Probable Construction Cost</b>	<b>\$ 61,000</b>
	Engineering Design & Construction Engineering	15	%	\$ 61,000	\$ 9,200
	Department of Health & Human Services Review Fee	1	L.S.	\$ 500	\$ 500
	Easements	1	L.S.		\$ -
	Legal, Fiscal, Administrative and Miscellaneous Fees	1	L.S.	\$ 750	\$ 750
				<b>Total Opinion of Probable Project Cost</b>	<b>\$ 71,450</b>

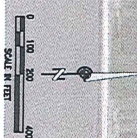
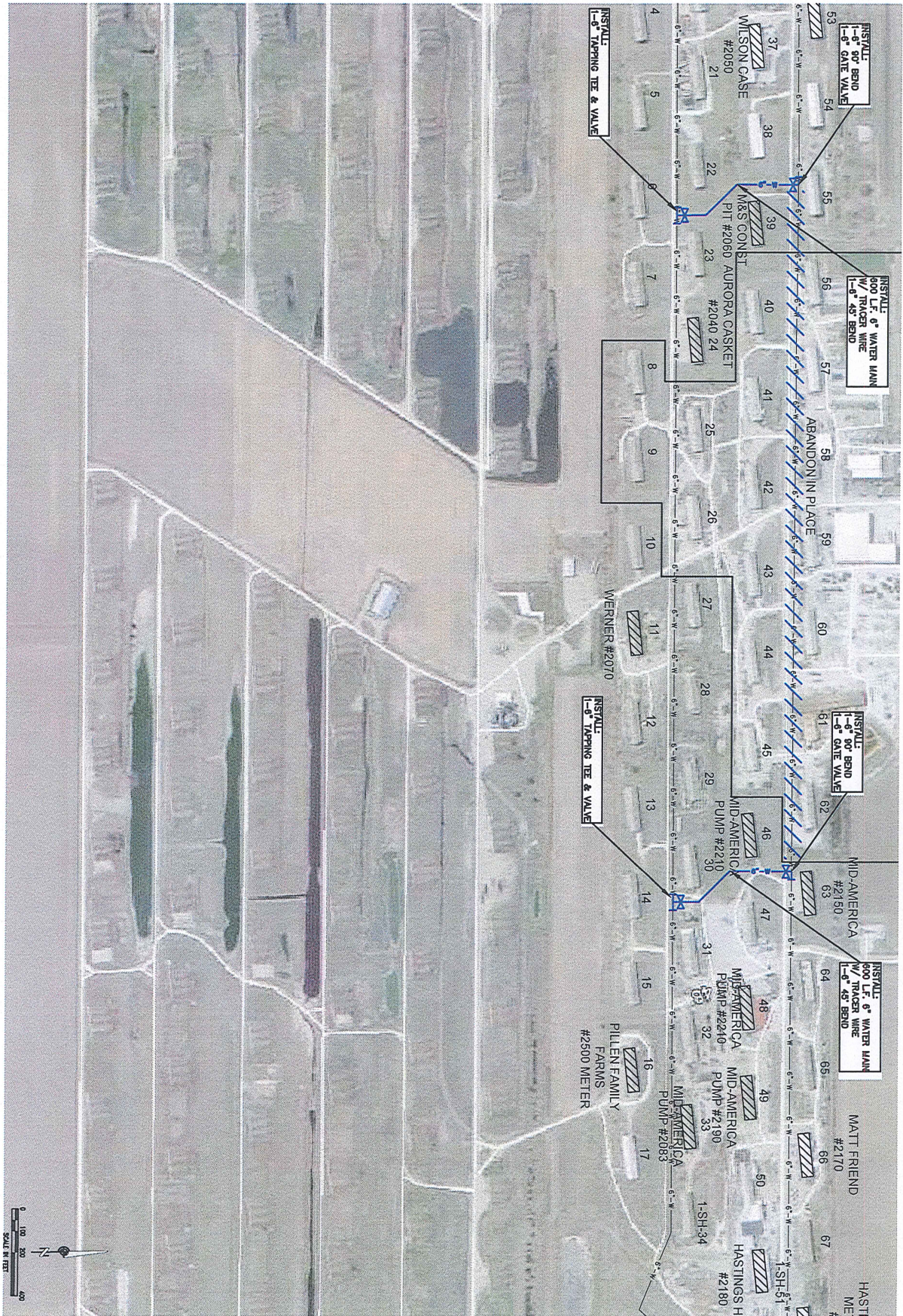
Approximate Annual Payment based upon 3% for 20 years

\$4,803

*Engineer's Opinion of Probable Construction Costs are made based upon Engineer's experience. However, since Engineer has no control over the timing, cost of labor, materials, equipment or services furnished by others, or over the contractor(s)' methods of determining prices, or over competitive bidding or other market conditions, any opinions of cost shall be considered as an estimate. Engineer makes no claims or guarantee of the estimate and its ultimate accuracy when compared to the as bid prices from the contractor(s). This is an estimate, not a bid. The quantities shown are preliminary estimates and will be refined when the project has been designed.*



PLOTTED: 8/15/2016 12:11 PM, SAVED: 8/15/2016 12:48 PM, Project: 026 - Clay County Sidings/Chap. Co. SID#1.dwg



**Clay Co. SID#1 - Water Main Replacement LOOP CONNECTIONS (OMIT T-L)**  
Hastings, Nebraska

SCALE: 1"=200'	PROJECTION: NAD 83
DATE: 8/15/2016	DESIGNER: JH
CHECKED BY: JH	DATE: 8/15/2016
SHEET: 2	OF: 2

**Frontwater Engineering**  
18 Merweather Dr. 11 • Johnson Lake, NE 68937 • 308.746.2470



Exhibit #3

	Year 1	Year 2(+3%)	Year 3(+3%)	Year 4(+3%)	Year 5(+3%)	Year 6(+3%)	Year 7(+3%)	Year 8(+3%)	Year 9(+3%)	Year 10(+3%)
Benefit-Value of lost water (@ \$4.63 per unit)	\$128,385	\$132,237	\$136,204	\$140,290	\$144,498	\$148,833	\$153,298	\$157,897	\$162,634	\$167,513
SID-financed cost of Project (@ \$700,000 loan)	(\$47,000)	(\$47,000)	(\$47,000.00)	(\$47,000.00)	(\$47,000.00)	(\$47,000.00)	(\$47,000.00)	(\$47,000.00)	(\$47,000.00)	(\$47,000.00)
SID RE Tax Revenue (@ present rate)	\$50,000	\$51,500	53045	\$54,636	\$56,275	\$57,964	\$59,703	\$61,494	\$63,339	\$65,239
SID Water Revenue (@ present rate (\$4.63))	\$17,100	\$17,642	18201.6765	\$18,779	\$19,374	\$19,989	\$20,623	\$21,276	\$21,951	\$22,647
SID cost of Water*	\$4,515	\$4,651	\$4,790.24	\$4,934	\$5,082	\$5,234	\$5,391	\$5,553	\$5,720	\$5,891
SID cost of Billing (@ 2016 charge)	(\$3,200)	(\$3,296)	(\$3,394.88)	(\$3,497)	(\$3,602)	(\$3,710)	(\$3,821)	(\$3,936)	(\$4,054)	(\$4,175)
SID O&M costs on new system**	\$19,000	\$19,570	20157.1	\$20,762	\$21,385	\$22,026	\$22,687	\$23,368	\$24,069	\$24,791
Net Amount	\$149,800	\$155,734	\$161,846	\$168,142	\$174,629	\$181,311	\$188,194	\$195,285	\$202,590	\$210,115

Total 10 Year Net Benefit (per Table) **\$1,787,645**  
 Total 30 Year Net Benefit (no inflation after 10 years) **\$5,362,936**

\*2016 water usage, plus 11% normal loss, times \$1.10 per unit  
 \*\*based on Hastings Utilities estimated O&M per mile of water system, adjusted for SID's new system



Exhibit #4

20142916 #22.00 pdcc

Index	<u>✓</u>
Inst. #	<u>2014-00818</u>
Photo	<u>C</u>
Plat	<u>N</u>
Deeds	<u>C</u>
Compare	<u>N/C</u>

State of Nebraska } ss  
 Clay County }  
 Received for record this 4  
 day of August A.D.  
20 14, at 9 o'clock and 30  
 Minutes A M, and recorded in  
 Book 128  
 of Deeds  
 on Page 501

County Clerk  
Danalee K. Nelson  
 Deputy

TO NEBRASKA  
 DOCUMENTARY STAMP  
 TAX  
 Date 8-13-14 By BM  
 \$ \_\_\_\_\_  
 Exempt # 23

NEBRASKA DOCUMENTARY  
 STAMP TAX  
 Date August 4, 2014  
 Expt. 16902 By Danalee K. Nelson

(2)

Return to: Michael E. Sullivan, Sullivan Shoemaker P.C., L.L.O., P.O. Box 309, Hastings, NE 68902-0309

### QUITCLAIM DEED

Industrial Park East Water System, L.L.C., a Nebraska limited liability company, GRANTOR, in consideration of One Dollar (\$1.00) and other valuable consideration received from GRANTEE, quitclaims to GRANTEE, Sanitary and Improvement District No. 1, Clay County, Nebraska, the following described real estate (as defined in Neb. Rev. Stat. 76-201):

See Exhibit "A"

Executed: July 21, 2014.

D. Charles Shoemaker  
 D. Charles Shoemaker, Member

David Niemoth  
 David Niemoth, Member

STATE OF NEBRASKA )  
 ) ss:  
 COUNTY OF ADAMS )

The foregoing instrument was acknowledged before me on the 21<sup>st</sup> day of July, 2014, by D. Charles Shoemaker and David Niemoth, the sole and only members of Industrial park East Water System, L.L.C., a Nebraska limited liability company.

GENERAL NOTARY - State of Nebraska  
 MICHAEL E. SULLIVAN  
 My Comm. Exp. June 21, 2018

Michael E. Sullivan  
 Notary Public



**EXHIBIT A**

Any and all permanent easements, rights-of-way, and the right to ingress and egress in, to, and over all utilities, pipes, valves, hydrants, water lines, and all accessories located on or under the real estate described as follows:

Commencing at the southwest corner of Section Thirteen (13), Township Seven (7) North, Range Nine (9) West of the 6<sup>th</sup> P.M., Adams County, Nebraska; thence North along the section line for a distance of One Thousand Eight Hundred Forty-two and three-tenths feet (1,842.3') to the Point of Beginning; thence East for a distance of One Hundred Sixty-four and five-tenths feet (164.5') to a point; thence North for a distance of One Hundred Fifty-seven and three-tenths feet (157.3') to a point; thence West a distance of One Hundred Sixty-four and five-tenths feet (164.5') to a point; thence South a distance of One Hundred Fifty-seven and three-tenths feet (157.3') to a point; thence Easterly across Section Thirteen (13), Township Seven (7) North, Range Nine (9) West of the 6<sup>th</sup> P.M., to the East section line, except all of Lot 8, Tax Lot 18, N.A.D., more particularly described in Owner's Certificate attached hereto; thence continuing in an Easterly direction across Sections Eighteen (18), Seventeen (17) and Sixteen (16), Township Seven (7) North, Range Eight (8) West of the 6<sup>th</sup> P.M., Clay County, Nebraska, including any vacated roads or alleys in Section Eighteen (18), except Building 19, Lot 7, Area B-1, N.A.D.; Building 20, Lot 6, Area B-1, N.A.D.; Building 5, Lot 22, Area B-1, N.A.D.; and Building 7, Lot 24, Area B-1, N.A.D.; thence in an Easterly direction across Sections Twenty-two (22) and Twenty-three (23), Township 7 North, Range 8 West of the 6<sup>th</sup> P.M., Clay County, Nebraska, and

All of Midstate Industrial Co., Area B-1, Clay County, Nebraska, including Lots 1 – 59 thereof, except Lots 20, 21, 25, 26, 27, and 40 thereof, and including all roads and other public rights-of-way within said subdivision. (Note that Lots 1, 2, 8, 9, and 10, as well as portions of Lots 3, 7, and 11, are located in Adams County, Nebraska.)

**Parcel 2**

Removed by stipulation.

**Parcel 3**

**Nebraska Holdings, LLC**

**(Remington Seeds, formerly NC+ Hybrids)**

A Tract which is a part of Section Sixteen (16), and Seventeen (17), Township Seven (7) North, Range Eight (8) West of the Sixth Principal Meridian, Clay County, Nebraska, described as



follows: Commencing at the northeast corner of said Section Seventeen (17); thence South along the East line of said section a distance of seven hundred forty and no-tenth's feet (740.0') to a point, said point being the point of beginning; thence South eighty-seven degrees – forty-six minutes (87°46') East, for a distance of one thousand one hundred and twenty-five and three-tenth's feet (1,125.3') to a point in Section Sixteen (16), thence ninety degrees and zero minutes (90°0') South a distance of one hundred and thirty-four and no-tenths feet (134.0') to a point which is the northwest corner of Lot 27, Midstate Industrial Co. Area B-2, thence Southwesterly forty-six degrees – thirty-one minutes (46°31') along the westerly boundary of Midstate Industrial Co. Area B-2 for a distance of one thousand three hundred and ninety and no-tenth's feet (1390.0') to a point which is sixty feet (60') south, and approximately thirty feet (30') west of the southwest corner of Lot 1, Midstate Industrial Co. Area B-2; thence West forty-six degrees – thirty-one minutes (46°31') for a distance of four thousand and fifty and no-tenth's feet (4050.0') to a point which is sixty feet (60') south, and approximately thirty feet (30') west of the southeast corner of Lot 59, Midstate Industrial Co. Area B-1, thence Northeasterly forty-four degrees fifty-five minutes (44°55') for a distance of one thousand four hundred and seventy-six and no-tenth's feet (1476.0') along the easterly boundary of Midstate Industrial Co. Area B-1 to a point which is the northeast corner of Lot 47, Midstate Industrial Co. Area B-1, thence Easterly a distance of two thousand nine hundred twenty-four and seven-tenth's feet (2924.7') more or less to the point of beginning, said parcel being the same as that identified by Clay County as the parcel with ID # 001111400, and consisting of 87.56 acres and the parcel with ID # 001110700, and consisting of 17.39 acres.

**Parcel 4**

All of Midstate Industrial Co., Area B-2, Clay County, Nebraska, including Lots 1 – 27 thereof, and all roads and other public rights-of-way within said subdivision.

[At least a portion, and possibly all, of Parcels 1, 2, and 4 are included within the area first described above.]