

Benefits of the Project

“This project has great value.”

- Solves sewer disposal problems at Johnson Lake
 - Improves lake environment
 - Creates safe and healthy recreation
- Preserves and enhances property values and uses
 - Promotes stewardship of valuable resources
- Accomplishment of something good – model to others in the state



Look for us on the web at
www.johnsonlakesid.info

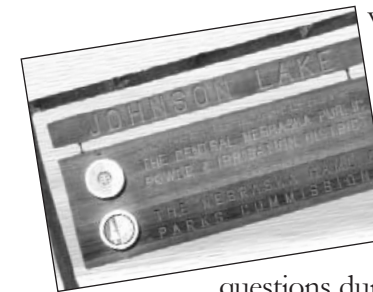


Johnson Lake Wastewater System: Public Meeting

August 5, 2006

Welcome to the Second Public Meeting

We'd like to welcome you to today's meeting! This morning we are ready to update you on the project's progress and share our financial projections. We have much to share and have provided an overview of what we'll present in this handout.



We also know that you have many questions about this project, its costs, and the construction process. We'll have two opportunities for

questions during this meeting and the JLET (Johnson Lake Engineering Team) is also available at the conclusion of today's presentation.

As always, you can contact a member of our field team by phone at 308-785-2203, e-mail jlet@johnsonlake.net, or stop by the field office located at 75102 Johnson Lake Drive.



More than 200 people attended the September 2005 public meeting.

TODAY'S AGENDA

- 10:00 Sign in and informal visits
- 10:15 Presentation
 - Part I - Technical Break
 - Part II - Financial
- 11:30 Individual visits with project team, as needed

At the end of today's meeting, the JLET team is available to answer your individual questions and can pull up your property via the laptops in the back of this room.

Project Background and Review of Phase I

Why this project?

- Improves water quality
- Follows regulatory guidelines
- Preserves property and business values
- Prepares for the future

Phase I

- Feasibility analysis by JLET consultants
- Presented results of the analysis at the Sept. 2005 public meeting
- Decision to move ahead by SID Board

JLET's recommendations:

1. A gravity sanitary sewer collection system
2. A complete retention lagoon, which can be converted to a controlled discharge lagoon with future growth



Aerial view of Johnson Lake, Dec. 2003

Accomplishments since September 2005:

- All engineering design work completed:
 - Lagoon treatment system
 - Maintenance and operations building
 - Sewer collection system
- JLET office established
- Property purchased for lagoon treatment system and maintenance building; construction begun on both
- Mailed GIS maps to property owners
- Let contract for sewer construction



JLET
Johnson Lake Engineering Team

The Three Projects

Lagoon - Project Contract #1

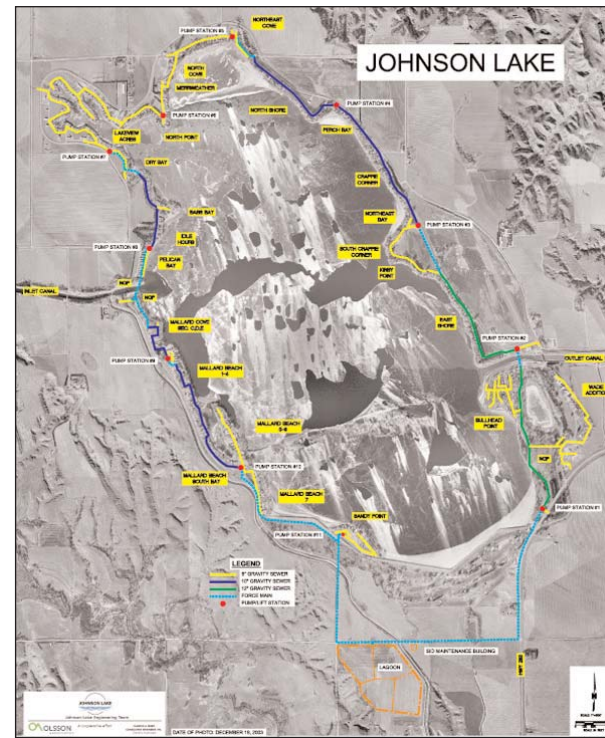
Contractor: Van Kirk Brothers Contracting, Sutton, Nebraska
Scheduled completion: November 2006

SID Maintenance Building - Project Contract #2

Contractor: T.L. Sund Constructors, Lexington, Nebraska
Scheduled completion: November 2006

Sewer System - Project Contract #3

Contractor: Van Kirk Brothers Contracting, Sutton, Nebraska
Scheduled completion: December 2007



Financing the Project: Initial Estimates

At the last public meeting we presented estimated costs. As we said then, we knew our financial projections were getting closer. No longer the wide strokes of a paint brush, but a dull crayon expressed the precision of our estimates. Today, we believe our numbers have the accuracy of a sharp pencil, and upon completion of construction we'll have numbers to the dollar--represented by the sharpness of a tack.



UPDATED FINANCIAL PROJECTIONS: CONSTRUCTION COSTS

P.C. #1 - Lagoon Treatment	\$ 1,713,000
P.C. #2 - Maintenance Building	\$ 238,250
P.C. #3 - Sewer Collection	\$10,288,800
OTHER COSTS - Engineering, legal, fiscal, interest, land purchase	\$ 3,883,500
TOTAL PROJECT COSTS: CURRENT PROJECTED AMOUNT	\$16,123,600

COMPARISON OF COST ESTIMATES

Category	Estimated Costs: September 2005	Estimated Costs: August 2006
Total Project Costs	\$15.7 million	\$16.123 million
General Obligation Part	\$5.6 million	\$5.763 million
Special Assessment Part	\$10.1 million	\$10.36 million
Estimated O&M Costs	\$136,000/year	\$136,000/year

Projected Special Assessments

Estimated amount to be specially assessed: \$10.36 million
Estimated number of assessable properties: 950
Estimated average assessment: \$10,905*

*mathematical average for illustration purposes only

PAYMENT OF SPECIAL ASSESSMENTS

Payment Options:

OPTION 1: Can pay 100% upon levy, without interest

OPTION 2: Can finance over 15 years
(i.e. 1/15 per year, plus interest on unpaid balance)

Example first year assessment under Option 2:
\$727 (P) + \$872 (I) = \$1,599
Based on average example

NOTE: Individual special assessments will vary from property to property depending on the benefits that the collection system conveys to each property and the specific costs of hooking up each property to the collection system.

Projected User Fees

Estimated annual O & M costs: \$136,000
(operation and maintenance)

Estimated user fee: \$155/year*
(.155 mil levy)

*based upon a \$100,000 property

Payment of General Obligation (GO) Taxes

SID to set tax levy

Estimated G.O. portion of project to be financed: \$5,763 million

Average principal and interest payment (20 years at 5%): \$462,500/year

Approximate valuation of SID: \$88 million

Estimated tax levy: \$0.526 per \$100 of valuation

Example tax on \$100,000 property: \$526/year

Projected Annual Payments

A hypothetical example for an average homeowner choosing to finance over 15 years (based on a \$100,000 home)

Special assessment	\$1,599
GO taxes	\$ 526
O & M costs	<u>\$ 155</u>
	\$2,280