

**MINUTES OF
LOWER ELKHORN NATURAL RESOURCES DISTRICT
BOARD OF DIRECTORS MEETING**

7:30 p.m., Thursday, January 24, 2013
Lifelong Learning Center
601 East Benjamin, Norfolk, Nebraska

The Board of Directors Meeting of the Lower Elkhorn Natural Resources District was called to order by Chairman Rod Zessin on Thursday, January 24, 2013 at the Lifelong Learning Center, 601 East Benjamin, Norfolk, Nebraska. Chairman Zessin informed the Board and those attending of the Publication of Meeting Notice in the Norfolk Daily News on January 18, 2013 and the Nebraska Open Meetings Act information posted by the entrance door.

Roll call was taken by Administrative Secretary Vickie DeJong with 13 of 15 Directors present. Present: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Absent: Carlson, Shafer.

Motion was made by Loftis and seconded by Hansen to adopt the agenda. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

The reading and/or action on the minutes of the December 20, 2012 Board of Directors meeting was next on the agenda. Motion was made by Loftis and seconded by Krueger that the minutes of the December 20, 2012 Board of Directors meeting be approved as printed. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

The Finance Subcommittee report was given by Treasurer Mike Krueger. Motion was made by Krueger and seconded by Kluthe to approve income in the amount of \$501,529.91 and expenses in the amount of \$351,694.83 as printed and distributed. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

Motion was made by Krueger and seconded by Anderson to approve income in the amount of \$71,993.14 and expenses in the amount of \$33,028.13 for the Logan East Rural Water System as printed and distributed. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

Motion was made by Krueger and seconded by Wesely to approve the income in the amount of \$57,355.25 and expenses in the amount of \$38,989.32 for the Wau-Col Regional Water System as printed and distributed. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

The conservation cost share report was given by Assistant Manager Ken Berney.

The Information, Planning & Programs Subcommittee report was given by Subcommittee Chairman Danny Kluthe. The board reviewed testimony received at the January 17, 2013 Public Hearing for the amendments to the Groundwater Management Area Rules and Regulations. Water Resources Manager Rick Wozniak presented information outlining the amendments. Comments were received from members of the

public and the board of directors.

Motion was made by Kluthe and seconded by Meyer to adopt the proposed staff recommendations for Quantity Subareas and Controls amendments to the Lower Elkhorn Natural Resources District Groundwater Management Area Rules and Regulations (Copy attached to the official minutes.)

Motion was made by Hansen to amend the motion to create a fifth Subarea by separating Chapin and Hancock Townships from the rest of Wayne County; to have the same controls in this fifth Subarea as the staff recommendations for the Pierce Subarea; and to manage the remainder of the Wayne County Subarea by rotational pumping rather than by allocation. Motion died for a lack of a second.

Motion was made by Krueger and seconded by Tighe to amend the motion to create a fifth Subarea by separating sections 1 through 18 of Township 27 North Range 2 East (Chapin Township) Wayne County from the Wayne County Subarea and to require flow meter installation by May 1, 2014 and the Standard Controls described Section 17 of the staff recommendations in this fifth Subarea. Aye: Anderson, Hansen, Krueger, Meyer, Riley, Schultz, Tighe, Zessin. Nay: Huntley, Kluthe, Loftis, Peitzmeier, Wesely. Absent: Carlson, Shafer. AMENDMENT CARRIED.

Motion was made by Krueger and seconded by Riley to amend the motion to include a provision to require a public hearing to receive input on the continuation of the Subareas at the end of six (6) years. It being expressly noted, however, that the Subareas shall not lapse at the expiration of the six (6 year term and that no action is necessary on the part of the District following the hearing. Aye: Anderson, Hansen, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz. Nay: Huntley, Tighe, Wesely, Zessin. Absent: Carlson, Shafer. AMENDMENT CARRIED.

Vote on amended motion: To adopt the proposed staff recommendations for Quantity Subarea and Control amendments to the Lower Elkhorn Natural Resources District Groundwater Management Area Rules and Regulations with the following change: 1.) separate sections 1 through 18 of Township 27 North Range 2 East (Chapin Township) Wayne County from the Wayne County Subarea and to require flow meter installation by May 1, 2014 and the Standard Controls described Section 17 of the staff recommendations in this fifth Subarea; and 2.) to require a review hearing of the Subareas at the end of six (6) years. Aye: Anderson, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: Hansen. Absent: Carlson, Shafer. AMENDED MOTION CARRIED.

Motion was made by Kluthe and seconded by Meyer to Issue an Order to Designate Quantity Subareas in Pierce, Madison and Wayne Counties with modifications as approved. (Copy attached to the official minutes.) Aye: Anderson, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: Hansen. Absent: Carlson, Shafer. MOTION CARRIED.

Motion was made by Kluthe and seconded by Meyer to approve an extension of the Domestic Well Assistance Program for one year with a maximum limit of \$50,000. Aye: Anderson, Kluthe, Meyer, Peitzmeier, Tighe, Wesely. Nay: Hansen, Huntley, Krueger, Loftis, Riley, Schultz, Zessin. MOTION FAILED.

Motion was made by Hansen and seconded by Krueger to approve the payment of the existing eight Domestic Well Assistance Program applications (approximate cost share \$11,727.88). Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

The Nebraska Association of Resources Districts report was given by Ken Peitzmeier. He reported that the NARD Legislative Conference will be held January 29 and 30 in Lincoln.

The Nebraska Natural Resources Commission report was given by Garry Anderson. He reported that the next Commission meeting will be held on January 30 in Lincoln.

The Natural Resources Conservation Service report was given by Scott Bohaty, Resource Conservationist. He reported on personnel, activities, land treatment, programs and upcoming events. (A copy of the report attached to the official minutes.)

The PrairieLand RC&D report was given by Bob Huntley. The Loess Hills RC&D report was given by Gary Loftis.

The Administrative Report was given by staff employees.

The Logan East Rural Water System Advisory Committee report was given by Director Gary Loftis. Motion was made by Loftis and seconded by Anderson to appoint Roger Feher to fill the vacancy on the Logan East RWS Advisory Committee because of Willis Kroger's resignation. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

Motion was made by Loftis and seconded by Huntley to reappoint Beverly Lydick and Gary Hilgenkamp to the Logan East RWS Advisory Committee. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

Motion was made by Loftis and seconded by Kluthe to accept the Logan East Rural Water System Advisory Committee minutes of January 14, 2013. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

The Wau-Col Regional Water System Advisory Committee report was given by RWS Manager Jim Cautrell. Motion was made by Krueger and seconded by Anderson to accept the Wau-Col Regional Water System Advisory Committee minutes of January 10, 2013. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

The Projects, Equipment & Legislation Subcommittee report was given by Subcommittee Chairman Garry Anderson. Motion was made by Anderson and seconded by Schultz to approve the request from the Village of Howells to cost share 50% of phase IV of their agreement with JEO Consulting Group to complete the accreditation of the flood levee, at a cost not to exceed \$22,500 (total cost of \$45,000). Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

Motion was made by Anderson and seconded by Huntley to approve the resolution to hold a Public Hearing on Thursday, February 21, 2013 at 6:30 p.m. to receive public input on establishing a Rural Water System Improvement Project Area in Madison County. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

Motion was made by Anderson and seconded by Huntley to authorize the staff to work with JEO Consulting Group to appeal FEMA's denial of the Battle Creek Grant Application for the Division Channel, at a cost of \$15,000-\$20,000. Aye: Anderson, Hansen, Huntley, Kluthe, Krueger, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: None. Absent: Carlson, Shafer. MOTION CARRIED.

The Ad-Hoc Building Committee report was given by Tim Tighe. Motion was made by Tighe and seconded by Wesely to authorize the staff to contract for excavation and construction for Willow Creek Recreation Area Marina Project, not to exceed \$150,000. Aye: Anderson, Hansen, Kluthe, Loftis, Meyer, Peitzmeier, Schultz, Tighe, Wesely, Zessin. Nay: Huntley, Krueger, Riley. Absent: Carlson, Shafer. MOTION CARRIED.

Motion was made by Tighe and seconded by Huntley to advertise for bids for an all steel maintenance building at Maple Creek Recreation Area. Aye: Anderson, Hansen, Huntley, Kluthe, Loftis, Meyer, Peitzmeier, Riley, Schultz, Tighe, Wesely, Zessin. Nay: Krueger. Absent: Carlson, Shafer. MOTION CARRIED.

The election of officers was conducted by General Manager Stan Staab. According to the By-Laws, any officer is limited to two successive one year terms. Therefore the only current officer that has not served two successive years is Treasurer Mike Krueger. Voting was held by ballot. Ballots will be held in the headquarters office for 30 days for public review.

Nominated for Chairman was Joel Hansen. After ballots were counted it was announced that Director Joel Hansen was elected Chairman for 2013. (Hansen – 13)

Nominated for Vice-Chairman was Danny Kluthe. After ballots were counted it was announced that Director Danny Kluthe was elected Vice-Chairman for 2013. (Kluthe – 13)

Nominated for Secretary was Dennis Schultz. After ballots were counted it was announced that Director Dennis Schultz was elected Secretary for 2013. (Schultz – 13)

Nominated for Treasurer was Mike Krueger. After ballots were counted it was announced that Director Mike Krueger was elected Treasurer for 2013. (Krueger 13)

Nominated for NARD Delegate was Ken Peitzmeier. After ballots were counted it was announced that Director Ken Peitzmeier was elected NARD Delegate for 2013. (Peitzmeier – 13)

Nominated for NARD Alternate was Bob Huntley. After ballots were counted it was announced that Director Bob Huntley was elected NARD Alternate for 2013. (Huntley – 13)

Motion was made by Meyer and seconded by Hansen to adjourn. Motion carried with all ayes. The meeting adjourned at 11:09 p.m.

I, the undersigned Secretary of the Lower Elkhorn Natural Resources District hereby certify that the foregoing is a true and correct copy of the proceedings had and done by the Board of Directors on January 24, 2013 that all of the subjects included in the foregoing proceedings were contained in the agenda for at least twenty-four hours prior to said meeting, the minutes of the Chairman and the Board were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body, that all news media requesting notification of the time and place of said meeting and the subjects to be discussed at said meeting.

Gary Loftis, Secretary