

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

7:30 p.m., Thursday, August 22, 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 Joel Hansen on Thursday, August 22, 2013 at the Lifelong Learning Center, 601 East Benjamin, Norfolk, Nebraska. Chairman Hansen informed the Board and those attending of the Publication of Meeting Notice in the Norfolk Daily News on August 16, 2013 and the Nebraska Open Meetings Act information posted by the entrance door.

The Public Hearing on the Fiscal Year 2014 Budget was held. Notice of the budget hearing was in Norfolk Daily News on August 15, 2013, Wayne Herald on August 15, 2013, and West Point News on August 14, 2013.

Roll call was taken by Administrative Secretary Vickie DeJong with 11 of 15 Directors present. Present: Carlson, Huntley, Kluthe, Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Absent: Anderson, Meyer, Riley, Wesely. The following directors received an excused absence: Anderson, Meyer, Wesely.

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

The reading and/or action on the minutes of the July 27, 2013 Board of Directors meeting was next on the agenda. Motion was made by Schultz and seconded by Huntley that the minutes of the July 27, 2013 Board of Directors meeting be approved as printed. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

The Finance Subcommittee report was given by Subcommittee Treasurer Mike Krueger. Motion was made by Krueger and seconded by Kluthe to approve income in the amount of \$80,530.44 and expenses in the amount of \$388,444.70 as printed and distributed. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Krueger and seconded by Peitzmeier to approve income in the amount of \$91,918.10 and expenses in the amount of \$43,145.99 for the Logan East Rural Water System as printed and distributed. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Krueger and seconded by Peitzmeier to approve the income in the amount of \$5,405.70 and expenses in the amount of \$6,192.67 for the Wau-Col Regional Water System as printed and distributed. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Krueger and seconded by Peitzmeier to approve the income in the amount of \$5,007.70 and expenses in the amount of \$0.00 for the Lower Elkhorn NRD Rural Water System as

printed and distributed. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

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

The Nebraska Association of Resources Districts report was given by Ken Peitzmeier. He reported on upcoming Annual Conference to be held in September in Kearney. A Voting Delegate and Alternate were needed.

Nominated for Voting Delegate was Ken Peitzmeier. Nominations Ceased. After ballots were counted it was announced that Director Ken Peitzmeier was elected Voting Delegate. (Peitzmeier – 11)

Nominated for Voting Alternate was Bob Huntley. Nominations Ceased. After ballots were counted it was announced that Director Bob Huntley was elected Voting Alternate. (Huntley – 11)

The Nebraska Natural Resources Commission report was not given due to the absence of Director Anderson attending the Water Policy Task Force meeting.

The Natural Resources Conservation Service report was given by Robin Sutherland, District Conservationist. (A copy of the report attached to the official minutes.)

The Loess Hills RC&D report was given by Gary Loftis, Bob Huntley reported on the Northeast Nebraska RC&D and Chris Carlson reported on the PrairieLand RC&D.

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 Zessin that repairs be made to all three water tanks at a cost of \$3,100 each, with work to be completed before cold weather. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Loftis and seconded by Kluthe to accept the Logan East Rural Water System Advisory Committee minutes of August 12, 2013. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

The Wau-Col Regional Water System Advisory Committee report was given by Director Gary Loftis. Motion was made by Loftis and seconded by Zessin to accept the Wau-Col Regional Water System Advisory Committee minutes of August 8, 2013. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

There has not been a meeting of the new Rural Water System Advisory Committee this past month. No report was given.

The Information, Planning & Programs Subcommittee report was given by Subcommittee Chairman Gary Loftis. Motion was made by Loftis and seconded by Zessin to ratify the issuance of the cease and desist notice and the cease and desist order to Janet Kniesche and Victor Kniesche, 57583 852nd Rd, Wayne, NE 68787 for the well located in the northeast quarter of Section 34, Township 26

North, Range 4 East, Wayne County, Nebraska. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Loftis and seconded by Krueger to ratify the issuance of the cease and desist notice and the cease and desist order to Vi-Jan Farms, Inc., Attn: Vincent S. Kniesche, President, 57583 852nd Rd, Wayne, NE 68787 for the well located in the southeast quarter of Section 26, Township 26 North, Range 3 East, Wayne County, Nebraska. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Loftis and seconded by Zessin to ratify the issuance of the cease and desist notice and the cease and desist order to Vincent S. Kniesche and Victoria A. Kniesche, 57583 852nd Rd, Wayne, NE 68787 for the well located in the south half of the southeast quarter of Section 34, Township 26 North, Range 3 East, Wayne County, Nebraska. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Tighe and seconded by Zessin to raise flow meter cost share to \$4000 for the Kniesche's. Aye: Carlson, Peitzmeier, Tighe, Zessin. Nay: Huntley, Kluthe, Krueger, Loftis, Schultz, Shafer, Hansen. MOTION FAILED.

Motion was made by Tighe and seconded by Krueger to withdraw all the cease and desist orders for the Kniesche's and Vi-Jan Farms Inc. when the settlement papers have been approved and signed. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Loftis and seconded by Kluthe to approve the Bazile Groundwater Management Plan Interlocal Cooperative Agreement and authorize the General Manager to sign the agreement. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

The Projects Equipment & Legislation Subcommittee report was given by Subcommittee Chairman Tim Tighe. Motion was made by Tighe and seconded by Huntley to approve the City of Scribner's request to change their Urban Recreation Area Development project to playground equipment, with a grant limit of \$10,000. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Tighe and seconded by Kluthe to approve the proposed Interlocal Agreement with the Nebraska Game & Parks for the operation of the Willow Creek State Recreation Area and authorize the Chairman to sign it. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Tighe, Zessin, Hansen. Nay: Shafer. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Tighe and seconded by Huntley to extend the Toxic Algae Study of Willow Creek Reservoir and approve additional funding of \$36,400. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

The Executive Board report was given by Vice-Chairman Danny Kluthe. Motion was made by Kluthe and seconded by Zessin to accept the bid from Capital City Concepts, Lincoln, Nebraska, to complete a wage and benefit comparability study, not to exceed \$11,000. Aye: Carlson, Huntley, Kluthe Krueger, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: Loftis, Peitzmeier. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

The Budget Subcommittee report was given by Subcommittee Chairman Mike Krueger. Motion was made by Krueger and seconded by Loftis to approve an additional 1% increase in Restricted Funds Authority for Fiscal Year 2014. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED. (Note: The motion did not carried by 75% of board approval required to approve this motion for budget purposes.)

Motion was made by Krueger and seconded by Zessin to approve the Fiscal Year 2014 Lower Elkhorn Natural Resources District budget and resolution setting the total property tax request at \$3,436,836.00. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

Motion was made by Krueger and seconded by Zessin to approve the Fiscal Year 2014 Lower Elkhorn Natural Resources District Long Range Plan as per the approved budget. Aye: Carlson, Huntley, Kluthe Krueger, Loftis, Peitzmeier, Schultz, Shafer, Tighe, Zessin, Hansen. Nay: None. Absent: Anderson, Meyer, Riley, Wesely. MOTION CARRIED.

The meeting adjourned at 9:34 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 August 22, 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.

Dennis Schultz, Secretary

Others Present:
Victor Kniesche, Wayne
Vince Kniesche, Wayne