

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

7:30 p.m., Thursday, May 28, 2015
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 Danny Kluthe on Thursday, May 28, 2015 at the Lifelong Learning Center, 601 East Benjamin, Norfolk, Nebraska. Chairman Kluthe informed the Board and those attending of the Publication of Meeting Notice in the Norfolk Daily News on May 23, 2015 and the Nebraska Open Meetings Act information posted.

Roll call was taken by Administrative Assistant Vickie DeJong with 14 of 15 Directors present. Present: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Absent: Winkelbauer.

Motion was made by Hansen and seconded by Shelton to adopt the agenda. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Chairman Danny Kluthe gave a brief description of the District's hearing rules for the public, staff and Board: the complete hearing rules were posted on the district website and copies of a summary of those rules was made available to anyone present at the meeting; any member of the public would be given the opportunity to appear in person or through their agent and could present any supporting witnesses, evidence, or statements in support of their position; the Chairman would allow the property owner 10 minutes to testify, followed by 5 minutes for each member of the public, followed by testimony from the District staff, concluded with 5 minutes for rebuttal testimony; once an individual hearing had been closed, neither the public nor the staff could present additional information unless requested by the board; discourteous conduct, disorderly conduct, as well as highly repetitious testimony would not be allowed in the hearings; and anyone wishing to contest the staff's preliminary determination of the number of certified irrigated acres for a parcel must indicate their desire to do so by writing the unique parcel ID number for the land they wish to contest on the sign-up sheet.

Motion was made by Huntley and seconded by Shelton to open all public hearings on the agenda. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Chairman Kluthe accepted into the record Exhibit number 1, the District's Hearing Rules of Procedure; Exhibit number 2, the District's Groundwater Management Area Rules and Regulations; Exhibit number 3, the Public Hearing Notice; and Exhibit number 4, the list of parcels (the "Unique Parcel ID Spreadsheet" prepared by District staff) subject to public hearing.

Chairman Kluthe asked the staff if any requests for continuance were received. Water Resources Manager Rick Wozniak answered that 17 requests for continuance had been received.

A motion was made by Krueger and seconded by Shelton *to allow a continuance until the next scheduled Certification Hearing which will take place September 3, 2015 for the following Unique Parcel ID numbers:*

OWNER NAME	UNIQUE ID	PID (PARCEL)	CERTIFICATION ID	PRELIMINARY CERTIFIED ACRES
HARGENS/JOEL D & CAROL	16477	270114296	1907E27-001	7.87
HARGENS/JOEL D	16482	270114303	1907E27-002	33.46
BRW INVEST., LLC & CDW INVEST., LLC	16305	0064320.00	2406E26-001	130.76
BLANK, CO-TRS/WILLIAM R & LEATA A	16882	590130773	2203W01-001	148.15
BEEMER PIG COOP CO.	15744	4593000	2205E09-001	61.09
ZOBEL/LARRY R & TAMI J	5248	7119200	2307E17-001	37.41
SANDY RIDGE, LLC	16708	310900	2202E03-001	78.82
WESSEL, ET AL/KENNETH J	16649	590123505	2101W11-001	178.60
WESSEL/DOROTHY T & KENNETH J	16650	590298798	2101W11-002	139.99
SORENSEN/HARVEY & MARGOT	16716	540009256	2903W29-003	128.56
ANDERSON/STEVEN M. & PEGGY L.	10307	0004227.01	2804E32-002	40.85
ANDERSON/STEVEN M. & PEGGY L.	10308	0004213.01	2804E29-001	10.93
OTTER CREEK FARMS, L.L.C	10309	0004227.00	2804E32-001	77.54
OTTER CREEK FARMS, L.L.C.	10306	0004213.00	2804E29-002	3.30
SWANSON/STEVEN & MICHAEL	16366	270139064	1906E12-004	121.28
HUNKE/TERRY	16003	5669000	2206E15-002	59.21
HASELHORST/LOREN P	17069	700026656	2701W12-001	120.16

Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. **MOTION CARRIED.**

Chairman Kluthe asked if anyone from the public wanted to contest the staff's preliminary determination. No one responded.

Chairman Kluthe explained that the Board would next consider hearings in which District board members have identified that they have a conflict of interest, either because the board member, a member of their immediate family, or a business that they have an interest in has a financial interest in the property to be certified by the District.

Chairman Kluthe opened a public hearing for properties for which board member Roger Gustafson may have a conflict of interest. This included the following properties:

OWNER NAME	UNIQUE ID	PID (PARCEL)	CERTIFICATION ID	PRELIMINARY CERTIFIED ACRES
GUSTAFSON/DAVID GUSTAFSON, ROGER	15776	001160012	2605E13-002	63.55
GUSTAFSON/ROGER	15556	001010008	2605E02-001	135.34
GUSTAFSON/ROGER L	15303	001300021	2605E24-002	63.42
GUSTAFSON/ROGER L AND DAVID W	15803	001300004	2605E24-001	115.25
GUSTAFSON/ROGER L GUSTAFSON,	15548	001290024	2605E26-001	75.42

DAVID W				
GUSTAFSON/ROGER L GUSTAFSON, DAVID W	15561	001160011	2605E13-001	167.39
GUSTAFSON/ROGER L GUSTAFSON, DAVID W	15531	001150002	2605E11-001	67.54
GUSTAFSON/ROGER L GUSTAFSON, DAVID W	15546	001290017	2605E26-002	33.31
RDG ENTERPRISES	15800	001290003	2605E23-002	196.00
RDG ENTERPRISES INC	16428	001170020	2606E17-001	132.25
RDG ENTERPRISES INC	10368	001170029	2606E08-002	68.00
RDG ENTERPRISES INC	15852	001160020	2606E18-003	67.70
RDG ENTERPRISES INC	15848	001300027	2606E19-003	97.16
GUSTAFSON/KENNETH B & VIRGINIA G	15816	001150013	2605E14-001	36.89
GUSTAFSON/KENNETH B & VIRGINIA G.	10411	001150010	2605E14-004	40.24
GUSTAFSON/KENNETH B. & VIRGINIA G.	15812	001150013	2605E14-002	35.41
GUSTAFSON/KENNETH B. & VIRGINIA G.	10412	001150012	2605E14-003	38.33
GUSTAFSON/KENNETH B. & VIRGINIA G.	15821	001290002	2605E23-004	69.00
HANSON/GENE E & MARJORIE M	10370	001170031	2606E08-004	65.39
HANSON/LOREN E & PATRICIA A	15536	001170030	2606E08-003	23.96
HANSON/MELVIN V & JANICE M	10369	001170004	2606E08-001	66.01

Chairman Kluthe asked if board member, Roger Gustafson, wished to offer testimony for any of the properties listed. Mr. Gustafson responded that he agreed with the preliminary determinations for each property.

Chairman Kluthe then asked if anyone from the public wished to testify regarding the properties for this public hearing. No one responded.

Chairman Kluthe asked District staff to testify. The staff did not offer any testimony.

A motion was made by Huntley and seconded by Hansen *to close the Public Hearing for Unique Parcel ID numbers: 15776, 15556, 15303, 15803, 15548, 15561, 15531, 15546, 15800, 16428, 10368, 15852, 15848, 15816, 10411, 15812, 10412, 15821, 10370, 15536, 10369.* Aye: Beller, Carlson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. Abstain: Gustafson. MOTION CARRIED.

Motion was made by Krueger and seconded by Shelton *to make a final determination and approve the preliminary determinations for Unique Parcel ID numbers: 15776, 15556, 15303, 15803, 15548, 15561, 15531, 15546, 15800, 16428, 10368, 15852, 15848, 15816, 10411, 15812, 10412, 15821, 10370, 15536, 10369.* Aye: Beller, Carlson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. Abstain: Gustafson. MOTION CARRIED.

Chairman Kluthe opened a public hearing for properties for which board member Mike Krueger may have a conflict of interest. This included the following properties:

OWNER NAME	UNIQUE ID	PID (PARCEL)	CERTIFICATION ID	PRELIMINARY CERTIFIED ACRES
------------	-----------	--------------	------------------	--------------------------------

KRUEGER/MICHAEL C & MIRIAM L, TRUSTEES	7482	700037142	2501W06-001	127.00
---	------	-----------	-------------	--------

Chairman Kluthe asked if board member, Mike Krueger, wished to offer testimony for any of the properties listed. Mr. Krueger responded that he agreed with the preliminary determinations for each property.

Chairman Kluthe then asked if anyone from the public wished to testify regarding the properties for this public hearing. No one responded.

Chairman Kluthe asked District staff to testify. The staff did not offer any testimony.

A motion was made by Shelton and seconded by Beller *to close the Public Hearing for Unique Parcel ID number: 7482*. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. Abstain: Krueger. MOTION CARRIED.

Motion was made by Otten and seconded by Shelton *to make a final determination and approve the preliminary determinations for Unique Parcel ID number: 7482*. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. Abstain: Krueger. MOTION CARRIED.

Chairman Kluthe opened a public hearing for properties for which board member Luke Winkelbauer may have a conflict of interest. This included the following properties:

OWNER NAME	UNIQUE ID	PID (PARCEL)	CERTIFICATION ID	PRELIMINARY CERTIFIED ACRES
WINKELBAUER/DAWN M	16950	590163507	2401W10-001	23.45
WINKELBAUER/DAWN M	16963	590150294	2402W15-001	113.59
WINKELBAUER/DAWN M	16962	590150219	2402W14-001	83.50
WINKELBAUER/MATTHEW J & DAWN M	17019	700033971	2504W10-001	258.92
WINKELBAUER/MATTHEW J & DAWN M	17024	700034055	2504W13-002	135.91
WINKELBAUER/MATTHEW J & DAWN M	17025	700034335	2504W24-001	266.82

Chairman Kluthe then asked if anyone from the public wished to testify regarding the properties for this public hearing. No one responded.

Chairman Kluthe asked District staff to testify. The staff did not offer any testimony.

A motion was made by Shelton and seconded by Krueger *to close the Public Hearing for Unique Parcel ID numbers: 16950, 16963, 16962, 17019, 17024, 17025*. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Motion was made by Shelton and seconded by Schultz *to make a final determination and approve the preliminary determinations for Unique Parcel ID numbers: 16950, 16963, 16962, 17019, 17024, 17025*. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Chairman Kluthe opened a public hearing for the remaining 667 properties that were non-continued, non-contested, and non-conflict of interest (a list of the properties is attached to these minutes) and asked if anyone from the public, staff or Board wished to testify regarding any of these properties. No one responded.

A motion was made by Loftis and seconded by Shelton to close the Public Hearing for the remaining properties. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

A motion was made by Korth and seconded by Krueger to make a final determination and approve the preliminary determinations for the 667 properties that remained on the District's list of properties to consider at public hearing on May 28, 2015 that were not continued, contested or did not have a conflict of interest (the list of properties is attached to official minutes). Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Motion was made by Tighe and seconded by Shelton to close the public hearing. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

The reading and/or action on the minutes of the April 23, 2015 Board of Directors meetings was next on the agenda. Motion was made by Loftis and seconded by Schultz that the minutes of the April 23, 2015 Board of Directors meeting be approved as printed. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

The Finance Subcommittee report was given by Treasurer Chris Carlson. Motion was made by Carlson and seconded by Shelton to approve income in the amount of \$1,149,896.02 and expenses in the amount of \$573,268.52 as printed and distributed. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Motion was made by Carlson and seconded by Shelton to approve income in the amount of \$79,662.10 and expenses in the amount of \$32,445.05 for the Logan East Rural Water System as printed and distributed. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Motion was made by Carlson and seconded by Shelton to approve the income in the amount of \$4,655.56 and expenses in the amount of \$3,941.87 for the Wau-Col Regional Water System as printed and distributed. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

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

The Nebraska Association of Resources Districts report was given by Bob Huntley. He reported that the NARD will be meeting in June.

No Nebraska Natural Resources Commission report was given.

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

Bob Huntley gave the Northeast Nebraska RC&D report and Gary Loftis the Loess Hills RC&D report.

The Bazile Groundwater Management Area Project written report was submitted by Stephanie Butler. (A copy of the report attached to the official minutes.)

The Administrative Report was given by the staff. General Manager Mike Sousek gave a manager's report. (A copy of the report attached to the official minutes.)

The Logan East Rural Water System Advisory Committee report was given by Gary Loftis. RWS Manager Shawn Blahak also gave a report. Motion was made by Loftis and seconded by Schultz to accept the Logan East Rural Water System Advisory Committee minutes of May 11, 2015. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

The Wau-Col Regional Water System Advisory Committee report was given by Joel Hansen. Motion was made by Hansen and seconded by Shelton to accept the Wau-Col Regional Water System Advisory Committee minutes of May 7, 2015. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

The Committee of the Whole report was given by Vice-Chairman Dennis Schultz. Motion was made by Schultz and seconded by Krueger to allow up to 500 new irrigated acres district-wide under the expedited variance process for 1) applications for 10 or fewer acres if the requested acres will allow the applicant's center pivot irrigation system to finish its circle and 2) applications under the good cause variance category. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Motion was made by Schultz and seconded by Hansen to authorize the staff to develop a project implementation plan (grant application) and pursue a grant with DEQ to provide 50% of total cost to develop a Water Quality/Watershed Management Plan. Staff is to start the request for proposal process and select an engineer to help develop a plan with the understanding that no billable hours will be accepted until grant approved is received. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Motion was made by Schultz and seconded by Beller to approve \$1998.85 for the funding of the Madison Public Schools Watershed Dynamics Program – Taylor-Union Watershed Group. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Motion was made by Schultz and seconded by Hansen to approve Personnel Policy 2 – Alcohol and Drug Free Workplace policy. (Copy attached to the official minutes). Aye: Beller, Carlson,

Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

Motion was made by Schultz and seconded by Shelton to approve Personnel Policy 37 – Use and Operation of District Vehicles. (Copy attached to the official minutes.) Discussion followed.

Motion to amend by Schultz and seconded by Shelton to include language to prohibit texting while operating a vehicle. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. AMENDMENT CARRIED.

Vote on amended motion: to approve Personnel Policy 37 – Use and Operation of District Vehicles, with the inclusion of language to prohibit texting while operating a vehicle. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. AMENDED MOTION CARRIED.

Motion was made by Schultz and seconded by Shelton to authorize the staff to rent necessary replacement equipment as needed, and to repair and/or replace tractor, loader and shredder upon notification from insurance on the status of the equipment. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

The Executive Board report was given by Secretary Gary Loftis. Motion was made by Loftis and seconded by Schultz to approve additional expenses above the threshold of \$3000 per director for expenditures related to board meetings and/or local district business. Expenses outside these criteria will need approval from the Executive Board. Aye: Beller, Carlson, Gustafson, Hansen, Huntley, Janke, Korth, Krueger, Loftis, Otten, Schultz, Shelton, Tighe, Kluthe. Nay: None. Absent: Winkelbauer. MOTION CARRIED.

The meeting adjourned at 8:57 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 May 28, 2015 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

Others Present:

Mike Placke, Olsson Associates

Tom Nathan, Meadow Grove

Kim McDaniels, Norfolk

Scott Japp, Arlington