

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

7:30 p.m., Thursday, January 25, 2018

Lower Elkhorn NRD

601 East Benjamin, Norfolk, Nebraska

The Board of Directors Meeting of the Lower Elkhorn Natural Resources District was called to order by Chairman Dennis Schultz on Thursday, January 25, 2018 at the Lower Elkhorn NRD, 601 East Benjamin, Norfolk, Nebraska. Chairman Schultz informed the Board and those attending of the Publication of Meeting Notice in the Norfolk Daily News on January 19, 2018 and the Nebraska Open Meetings Act information posted.

Roll call was taken by Administrative Supervisor Vickie DeJong with 15 of 15 Directors present. Present: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Absent: None.

Motion was made by Hansen and seconded by McHenry to adopt the agenda. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

The reading and/or action on the minutes of the December 21, 2017 Board of Directors meeting was next on the agenda. Motion was made by Hall and seconded by Krueger that the minutes of the December 21, 2017 Board of Directors meeting be approved. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

The Finance Subcommittee report was given by Treasurer Bob Huntley. Motion was made by Huntley and seconded by Steffen to approve income in the amount of \$753,172.65 and expenses in the amount of \$606,558.02. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Motion was made by Huntley and seconded by Barr to ratify the transfers of the Frontier Bank and Elkhorn Valley Bank building sinking funds to Bank First and ratify the payment in the amount of \$1,252,304.74 to Stewart Title Company for the purchase of the property at 1508 Square Turn Boulevard, Norfolk, Nebraska. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Motion was made by Huntley and seconded by Loftis to approve income in the amount of \$112,938.18 and expenses in the amount of \$41,191.64 for the Logan East Rural Water System as printed and distributed. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Motion was made by Huntley and seconded by Loftis to approve income in the amount of \$8,951.27 and expenses in the amount of \$5,247.27 for the Wau-Col Regional Water System. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

The conservation cost share report was given by Project Manager Curt Becker. A copy of the

report is attached to the official minutes.

Due to those in attendance, the board considered action on item 9f. Motion was made by Krueger and seconded by Hansen to adopt the amended Lower Elkhorn Natural Resources District Area Rules and Regulations. Discussion followed.

Motion was made by Hansen and McHenry to amend the motion to change Rule 001.06A (Intoxication) to follow Nebraska Game and Parks Commission policies for Willow Creek Recreation Area. Aye: Barr, Hansen, Loftis, McHenry. Nay: Allemann, Gustafson, Hall, Huntley, Janke, Kathol, Korth, Krueger, Noonan, Steffen, Schultz. Absent: None. Amendment Failed.

Motion was made by Hall and seconded by Hansen to amend the motion to approve all changes to the Lower Elkhorn Natural Resources District Area Rules and Regulations with the exception of Rule 001.6. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Amendment Carried.

Motion was made by Loftis and seconded by Steffen to amend the motion to change Rule 001.06A to remove the word “possession” of alcoholic beverages. Aye: Barr, Gustafson, Loftis, McHenry, Steffen. Nay: Allemann, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Noonan, Schultz. Absent: None. Amendment Failed.

Vote on amended motion: to adopt the amended Lower Elkhorn Natural Resources District Area Rules and Regulations. (Final approved copy attached to the official minutes.) Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

The Nebraska Association of Resources Districts report was given by Kurt Janke. Gary Loftis attended the NARD Legislation Conference and board meeting and reported on the conference.

No Nebraska Natural Resources Commission report was given.

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

Gary Loftis reported on the Loess Hills RC&D and Bob Huntly reported on the Northeast Nebraska RC&D.

The Bazile Groundwater Management Area report was given by Coordinator Phil Steinkamp. It was reported that a Winter Open House and Informational Meeting will be held on February 7, 2018 at the Osmond City Auditorium. (A copy of his report is attached to the official minutes.)

The Administrative Report was given by General Manager Mike Sousek. (A copy of the report attached to the official minutes.)

The Logan East Rural Water System Advisory Committee report was given by Roger Gustafson and RWS Manager Shawn Blahak. Motion was made by Gustafson and seconded by Loftis to reappoint Brian Hagerbaumer and Ron Dierking to an additional 3-year term on the Logan East Rural Water System Advisory Committee. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Motion was made by Gustafson and seconded by Loftis to accept the Logan East Rural Water System Advisory Committee minutes of January 8, 2018. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

The Committee of the Whole report was given by Vice-Chairman Mike Krueger. Motion was made by Krueger and seconded by Barr to adopt the proposed amendment – Rule 18 – Transfers of Water uses, to the Rules and Regulations for the Enforcement of Groundwater Management and Protection Act in the Lower Elkhorn Natural Resources District. (Copy attached to official minutes.) Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Motion was made by Krueger and seconded by Huntley to approve changes to the Lower Elkhorn Natural Resources District's Groundwater Management Plan to integrate the goals of the Drought Mitigation Plan with two suggested modifications. (Copy attached to the official minutes.) Aye: Barr, Hansen, Huntley, Janke, Kathol, Krueger, Loftis, McHenry, Noonan, Schultz. Nay: Allemann, Gustafson, Hall, Korth, Steffen. Absent: None. Motion Carried.

Motion was made by Hall and seconded by Barr to adopt the final ranking of applications for a variance as proposed by the district staff in the Excel Spreadsheet titled "Exhibit A Final 2017 Standard Variances 10/50". Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: Korth. Absent: None. Motion Carried.

Motion was made by Hall and seconded by Loftis to allow up to 2390.28 new groundwater irrigated acres for the November 15 – December 15, 2017 application period in the District's hydrologically connected area in accordance with the District's Rule 13 and Nebraska Revised statute Section 46-714(12)(c). Aye: Allemann, Barr, Hansen, Huntley, Janke, Kathol, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: Korth. Abstain: Hall, Gustafson. Absent: None. Motion Carried.

Motion was made by Hall and seconded by Hansen to approve and authorize staff to issue variances for the highest ranking applications up to the 2390.28 new groundwater irrigated acres authorized for the November 15 – December 15, 2017 application period in the District's hydrologically connected area, subject to the conditions set forth in Rule 13.12 and the Lower Elkhorn Natural Resources District – Conditional Approval Policy (effective November 9, 2017). Aye: Allemann, Barr, Hansen, Huntley, Janke, Kathol, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: Korth. Abstain: Hall, Gustafson. Absent: None. Motion Carried.

Motion was made by Hall and seconded by Krueger to authorize staff to contact those applicants for a variance in the hydrologically connected area for the 2017 application period whose applications were not approved to notify them of the Board's decision and their opportunity to reapply in the future. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Motion was made by Hall and seconded by Hansen to adopt the final ranking of applications for a variance as proposed by the district staff in the Excel Spreadsheet titled "Exhibit B Final 2017 Standard Variances non 10/50". Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: Korth. Absent: None. Motion Carried.

Motion was made by Hall and seconded by McHenry to allow up to 2531 new groundwater

irrigated acres for the November 15 – December 15, 2017 application period in the District's non 10/50 area in accordance with the District's Rule 15 and Nebraska Revised statute Section 46-714(12)(c). Aye: Allemann, Barr, Gustafson Hansen, Hall, Huntley, Kathol, Krueger, Loftis, McHenry, Noonan, Schultz. Nay: Korth. Abstain: Janke, Steffen. Absent: None. Motion Carried.

Motion was made by Hall and seconded by Hansen to approve and authorize staff to issue variances for the highest ranking applications up to the 2531 new groundwater irrigated acres authorized for the November 15 – December 15, 2017 application period in the District's non 10/50 area, subject to the conditions set forth in Rule 15.12 and the Lower Elkhorn Natural Resources District – Conditional Approval Policy (effective November 9, 2017). Aye: Allemann, Barr, Gustafson Hansen, Hall, Huntley, Kathol, Krueger, Loftis, McHenry, Noonan, Schultz. Nay: Korth. Abstain: Janke, Steffen. Absent: None. Motion Carried.

Motion was made by Hall and seconded by Krueger to authorize staff to contact those applicants for a variance in the non 10/50 area for the 2017 application period whose applications were not approved to notify them of the Board's decision and their opportunity to reapply in the future. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Motion was made by Loftis and seconded by Janke to enter into Executive Session for the protection of public interest due to strategy planning. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Chairman Schultz stated that the Board would move into Executive Session for the protection of public interest due to strategy planning and that the General Manager be asked to stay.

Moved into Executive Session at 11:15 p.m.

Motion was made by Krueger and seconded by Hansen to return to regular session. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

Reentered regular session at 11:37 p.m.

Motion was made by Krueger and seconded by Huntley to reschedule and advertise the public hearing for certification of irrigated acres from February 8, 2018 until February 22, 2018 at 7:30 p.m. Aye: Allemann, Barr, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Krueger, Loftis, McHenry, Noonan, Steffen, Schultz. Nay: None. Absent: None. Motion Carried.

According to the By-Laws, any officer is limited to one term of two years, but is immediately eligible for a different office; however, a Director is eligible for the same office after a two year absence from that office. The only current officer that has served a term of two years is Treasurer Bob Huntley. Voting will be held by ballot. Ballots will be held in the headquarters office for 30 days for public review.

Chairman Dennis Schultz, Vice-Chairman Mike Krueger and Secretary Mark Hall retained their positions.

Nominated for Treasurer were Scott McHenry and Dave Kathol. After ballots were counted it was announced that Director Dave Kathol was elected Treasurer for 2018. (McHenry – 4, Kathol – 10)

Nominated for NARD Delegate was Gary Loftis. After ballots were counted it was announced that Director Gary Loftis was elected NARD Delegate for 2018. (Loftis – 12)

Nominated for NARD Alternate was Scott McHenry. After ballots were counted it was announced that Director Scott McHenry was elected NARD Alternate for 2018. (McHenry – 12)

Meeting adjourned at 11:50 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 25, 2018, 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.

Mark Hall, Secretary

Others Present:

Lyle Lingenfelter, Plainview
Nick Lingenfelter, Plainview
Keith _____, Battle Creek
Tom Nathan, Meadow Grove
Ron Schmidt, Humphrey
Kylie Knigge, Stanton
Brian Dunnigan, Ollson Associates
Rick Eberhardt, Pierce
Doug Hall, Neligh
Makesh Pun
Lalit Jha, Lincoln
Viv Novotny, Lincoln
David Loberg, Carroll
Doug Nelson, Wayne
Steve Rutjens, Tilden
Tom Zimmer, Game & Parks Commission