

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

7:30 p.m., Thursday, August 23, 2018
Lower Elkhorn NRD
1508 Square Turn Blvd, Norfolk, Nebraska

Prior to the Lower Elkhorn Natural Resources District Board of Directors meeting, a public hearing was held for the Lower Elkhorn Natural Resources District and the Nebraska Department of Natural Resources Voluntary Integrated Management Plan.

The Board of Directors Meeting of the Lower Elkhorn Natural Resources District was called to order by Vice-Chairman Gary Loftis on Thursday, August 23, 2018 at the Lower Elkhorn NRD, 1508 Square Turn Blvd, Norfolk, Nebraska. Vice Chairman Loftis informed the Board and those attending of the Publication of Meeting Notice in the Norfolk Daily News on August 17, 2018 and the Nebraska Open Meetings Act information posted.

Roll call was taken by Office Assistant Patty Martens with 13 of 15 Directors present. Present: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, Loftis, McHenry, Noonan, Steffen, Zimmerman. Absent: Barr, Schultz.

Motion was made by McHenry and seconded by Hansen to excuse the absence of Jill Barr and Dennis Schultz. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: None. Absent: Barr, Schultz. Motion Carried.

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

The Public Hearing on the Fiscal Year 2019 Budget was held. Notice of the budget hearing was in Norfolk Daily News on August 13, 2018, Wayne Herald on August 16, 2018, and West Point News on August 15, 2018.

The reading and/or action on the minutes of the July 26, 2018 Board of Directors meeting was next on the agenda. Motion was made by Hall and seconded by Huntley that the minutes of the July 26, 2018 Board of Directors meeting be approved. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: None. Absent: Barr, Schultz. Motion Carried.

The Finance Subcommittee report was given by Treasurer Dave Kathol. Motion was made by Kathol and seconded by Janke to approve income in the amount of \$145,055.70 and expenses in the amount of \$386,798.38 as printed and distributed. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: None. Absent: Barr, Schultz. Motion Carried.

Motion was made by Kathol and seconded by Hall to approve income in the amount of \$81,352.93 and expenses in the amount of \$48,100.77 for the Logan East Rural Water System as printed and distributed. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: None. Absent: Barr, Schultz. Motion Carried.

Motion was made by Kathol and seconded by Hansen to approve income in the amount of \$10,539.98 and expenses in the amount of \$7,558.44 for the Wau-Col Regional Water System. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: None. Absent: Barr, Schultz. 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.

The Nebraska Association of Resources Districts report was given by Gary Loftis. The NARD Fall Conference will be held in Kearney in September. Delegate Loftis will be unable to attend the Alternate Scott McHenry will therefore move into the delegate position. An alternate would need to be voted on.

Nominated for Voting Alternate was Joel Hansen. Nominations Ceased. After ballots were counted it was announced that Director Joel Hansen was elected Voting Alternate. (Hansen - 12)

No Nebraska Natural Resources Commission report was received.

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

Bob Huntley reported on the Northeast Nebraska RC&D and Gary Loftis reported on the Loess Hills RC&D was distributed. (Copy attached to official minutes.)

The Bazile Groundwater Management Area report was given by Assistant Manager Brian Bruckner and 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. Motion was made by Gustafson and seconded by Hall to accept the Logan East Rural Water System Advisory Committee minutes of August 13, 2018. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: None. Absent: Barr, Schultz. Motion Carried.

The Committee of the Whole report was given by Mark Hall. Motion was made by Hall and seconded by Huntley to approve the Pre-Disaster Mitigation (PDM) Grant #PDM 2017-001-NE for the Lower Elkhorn Natural Resources District Multi-Hazard Mitigation Plan and authorize the General Manager to sign any necessary documents for the Grant and instruct the staff to advertise for Requests for Qualifications (RFQ) to complete the update to the District's Multi-Hazard Mitigation Plan. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, Korth, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: None. Absent: Barr, Schultz. Motion Carried.

Motion was made by Hall and seconded by McHenry to accept the proposed changes to the Groundwater Management Area Rules and Regulations and to include changes to address concerns provided in testimony to integrate changes into the Rules that will exempt the off-season application of fertilizers when nitrogen is not the largest percentage of the formulation and the total nitrogen applied per acres is less than 25 pounds. Aye: Hansen, Huntley, Janke, Kathol, McHenry, Noonan, Steffen,

Zimmerman, Loftis. Nay: Allemann, Gustafson, Hall, Korth. Absent: Barr, Schultz. Motion Carried.

Motion was made by Hall and seconded by Huntley to approve the recommended modifications to the score sheets for the Hydrologically Connected or 10/50 Area and the Non-Hydrologically Connected or Non 10/50 Area and to re-authorize the use of the Lower Elkhorn Natural Resources District "Conditions for Approval Policy" for approved variances for the 2019 growing season. Aye: Allemann, Hall, Hansen, Huntley, Kathol, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: Gustafson, Janke, Korth. Absent: Barr, Schultz. Motion Carried.

Motion was made by Hall and seconded by McHenry to allow up to 2,500 acres or 451.35 Acre Feet of new depletion, whichever comes first, of new groundwater irrigation development in the Hydrologically Connected or 10/50 Area under the District's standard variance process for 2019; and to allow up to 2,500 acres of new groundwater irrigation development in the Non-Hydrologically Connected or Non 10/50 Area under the District's standard variance process for 2019. As a condition for approval, an annual limit on the amount of groundwater withdrawal from wells associated with approved variances will be determined by board policy, which is subject to future modification if conditions warrant. In addition, a minimum soil score of 90 must be met for any standard variance to be considered for approval. Standard variance requests will also only be considered for approval from areas within the District that fall within the top five Potential for Development categories, as provided by the Classification 4 Map, as provided by Flatwater Group. Also excluded from consideration for this sign-up period will be any parcel of land located in any Lower Elkhorn NRD Phase 3 Area, as determined by trigger levels outlined in the Groundwater Management Area Rules and Regulations, to limit the potential for future contributions to the existing groundwater nitrate conditions. In addition, a District sign-up for the receipt of standard variance requests shall be established between September 4 and October 3, 2018.

Discussion followed.

Moved to amend by Hall and seconded by Korth to remove the sentence: Also excluded from consideration for this sign-up period will be any parcel of land located in any Lower Elkhorn NRD Phase 3 Area, as determined by trigger levels outlined in the Groundwater Management Area Rules and Regulations, to limit the potential for future contributions to the existing groundwater nitrate conditions. Aye: Allemann, Hall, Kathol, Korth, Steffen, Zimmerman, Loftis. Nay: Gustafson, Hansen, Huntley, Janke, McHenry, Noonan. Absent: Barr, Schultz. Amendment Carried.

Vote on Amended Motion: to allow up to 2,500 acres or 451.35 Acre Feet of new depletion, whichever comes first, of new groundwater irrigation development in the Hydrologically Connected or 10/50 Area under the District's standard variance process for 2019; and to allow up to 2,500 acres of new groundwater irrigation development in the Non-Hydrologically Connected or Non 10/50 Area under the District's standard variance process for 2019. As a condition for approval, an annual limit on the amount of groundwater withdrawal from wells associated with approved variances will be determined by board policy, which is subject to future modification if conditions warrant. In addition, a minimum soil score of 90 must be met for any standard variance to be considered for approval. Standard variance requests will also only be considered for approval from areas within the District that fall within the top five Potential for Development categories, as provided by the Classification 4 Map, as provided by Flatwater Group. In addition, a District sign-up for the receipt of standard variance requests shall be established between September 4 and October 3, 2018. Aye: Allemann, Hall, Hansen, Huntley, Kathol, Korth, McHenry, Noonan Steffen, Zimmerman, Loftis. Nay: Gustafson. Abstain: Janke. Absent: Barr, Schultz. Amendment Carried.

The Budget Subcommittee report was given by Treasurer Dave Kathol. Motion was made by Kathol and seconded by Huntley to approve the Fiscal Year 2019 Lower Elkhorn Natural Resources District budget and resolution setting the total property tax request at \$4,272,728. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: Korth. Absent: Barr, Schultz. Motion Carried.

Motion was made by Kathol and seconded by Hansen to approve the Fiscal Year 2019 Long Range Plan as per the approved budget. Aye: Allemann, Gustafson, Hall, Hansen, Huntley, Janke, Kathol, McHenry, Noonan, Steffen, Zimmerman, Loftis. Nay: Korth. Absent: Barr, Schultz. Motion Carried.

Meeting adjourned at 10:19 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 23, 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:
Clayton Fischer, Pierce
Larry Jensen
Lyle Lingenfelter
Greg Owens