



**PAPIO-MISSOURI RIVER
NATURAL RESOURCES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
July 11, 2013**

PLEDGE OF ALLEGIANCE

NOTIFICATION OF OPEN MEETINGS ACT POSTING AND MEETING PROCEDURE

MEETING CALLED TO ORDER: A regular meeting of the Papio-Missouri River Natural Resources District Board of Directors was held at the Natural Resources Center, 8901 S. 154th St., Omaha, NE on July 11, 2013. The meeting was called to order by Chairperson Fred Conley at 7:00 p.m.

QUORUM CALL: The following Directors were present for the Quorum Call:

Patrick Bonnett	Scott Japp
Fred Conley	Dave Klug
John Conley	Patrick Leahy
Tim Fowler	Rich Tesar
Curt Frost	Jim Thompson
	Ron Woodle

ADOPTION OF AGENDA:

- **MOTION NO. 1** It was moved by Director Klug and seconded by Director Conley (John) that the agenda be adopted.

Roll call vote was held on the motion. The motion carried unanimously.

Voting Yea	-	Bonnett, Conley (John), Fowler, Frost, Japp, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay	-	None
Abstaining	-	None
Excused Absence	-	None
Absent	-	None

ADOPTION OF CONSENT AGENDA:

- **MOTION NO. 2** It was moved by Director Bonnett and seconded by Director Fowler that the following resolution be adopted:

BE IT RESOLVED that the following resolutions on the consent agenda are hereby adopted.

Agenda Item 3.A.:

BE IT RESOLVED that the following Director(s) have an excused absence from the July 11, 2013, Board of Directors Meeting:

None to date.

Agenda Items 7.A., 7.B., 7.C., and 7.D.:

BE IT RESOLVED that the June 13, 2013 Papio-Missouri River NRD Board meeting minutes, the June 12, 2013 Dakota County Rural Water Advisory Board meeting minutes, the June 26, 2013 Thurston County Rural Water Advisory Board meeting minutes, and the budgetary recommendations contained in the June 18, 2013 Washington County Rural Water #1 Advisory Board meeting minutes, are approved as printed; however, the recommendations of the Washington County Rural Water #1 Advisory Board, regarding the proposed merger of Washington County Rural Water District #1 and Washington County Rural Water District #2, as contained in such Washington County Rural Water #1 Advisory Board meeting minutes, are not approved; and, the Board of Directors of the NRD hereby expressly determines that such recommendations concerning such merger are unreasonable, inequitable, unlawful and contrary to the public interest.

Roll call vote was held on the motion. The motion carried on a vote of 10-yea and 1-nay.

Voting Yea	-	Bonnett, Conley (John), Fowler, Frost, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay	-	Japp
Abstaining	-	None
Excused Absence	-	None
Absent	-	None

PROOFS OF PUBLICATION OF MEETING NOTICE: Notice of the meeting was published in the Omaha World Herald on July 4, 2013. The District's May 10-June 13, 2013, expenditures were published in the Papillion Times on June 19, 2013. The Chairperson ordered the Proofs of Publication recorded in the minutes of this meeting. (They are contained as part of the file copy of these minutes.)

AGENCY AND ASSOCIATION REPORTS:

A. Natural Resources Conservation Service Report: Neil Jensen, NRCS District Conservationist at the Omaha NRCS office, gave his report on NRCS activities. He stated that the NRCS has received an additional \$73,000 for the Equip Program bringing the total amount to approximately \$600,000. Neil's report is posted to the website and attached to these meeting minutes.

B. Nebraska Association of Resources Districts Report: Director Tesar stated there was no update for NARD activities for the month. He did report that the Governor has reappointed him to the Riparian Vegetation Management Task Force.

C. Legislative Report – Husch Blackwell: Steve Grasz stated that the Legislation is well into the interim period between sessions, but he continues to stay in touch with the Natural Resources Committee, particularly in regards to Interim Studies. LR 226, Interim study to examine the operation of the Papio-Missouri River NRD, is ranked number 12 of 15 studies. The interim study on recycling is ranked 13 of 15. On July 2nd, 2013, the Governor appointed 11 members to the Water Funding Task Force. The other 23 members will be designated by the Legislature. They will meet on July 19 to set the dates for public hearings. Steve also stated there is an interim study on herbicides, LR 309, but did not know the ranking of this study.

D. Lower Platte River Corridor Alliance Report: Meghan Sittler's written report is posted to the website and attached to these meeting minutes.

SUBCOMMITTEE REPORTS:

A. Executive Subcommittee: Director Dave Klug reported that the Executive Subcommittee met on July 9, 2013, and gave a brief recap of the meeting.

•• **MOTION NO. 3** It was moved by Director Klug that the following Subcommittee recommendation be adopted:

Executive Recommendation #1: Director's Expense Claim Reimbursements: Recommendation that the Board ratify the General Manager's action denying the payment of the copying and legal fees from Director Japp's April 2013 expense claim, and denying the payment of the legal fees from his July 2012 expense claim.

Director Japp stated that his expenses for legal counsel reimbursement were in conjunction with carrying out his duties as a Director, since the District's legal counsel wouldn't give him advice. There was discussion.

Roll call was held on the motion. The motion carried on a vote of 7-yea, 1-nay, and 3-abstention.

Voting Yea	-	Bonnett, Conley (John), Fowler, Klug, Tesar, Thompson, Conley (Fred)
Voting Nay	-	Japp
Abstaining	-	Frost, Leahy, Woodle
Excused Absence	-	None
Absent	-	None

- **MOTION NO. 4** It was moved by Director Klug that the following Subcommittee recommendation be adopted:

Executive Recommendation #2: Proposed Resolutions Clarifying Director Statutory Roles and Responsibilities – Recommendation that the following resolution be adopted: BE IT RESOLVED that the Board of Directors of the Papio-Missouri River NRD hereby finds and determines that Director Scott Japp’s alienating manner, and his extreme and reckless assertions and accusations concerning the NRD’s adopted policies, programs and projects, and concerning its directors and staff, are a signal that his agenda is to interfere with the operation of the NRD and its programs and projects, and that he has no genuine interest in working cooperatively or in a civil way to benefit either his sub-district or the NRD as a whole.

Director Japp asked how the Executive Committee arrived at this resolution. It was stated by the Board Chairperson that it was the decision of the Executive Committee. There was discussion.

Roll call was held on the motion. The motion carried on a vote of 8-yea, 2-nay and 1-abstention.

Voting Yea	-	Bonnett, Conley (John), Fowler, Klug, Leahy, Tesar, Thompson, Conley (Fred)
Voting Nay	-	Frost, Japp
Abstaining	-	Woodle
Excused Absence	-	None
Absent	-	None

B. Programs, Projects and Operations Subcommittee: Director John Conley reported that the PPO Subcommittee met on July 9, 2013, and gave a brief recap of the meeting.

- **MOTION NO. 5** It was moved by Director John Conley that the following Subcommittee recommendation be adopted:

PPO Recommendation #1: Washington County Rural Water #1 and Washington County Rural #2 Merger – Recommendation that the following resolution be adopted:

BE IT RESOLVED THAT a financial merger of Washington County Rural Water #1 and Washington County Rural Water #2 be implemented commencing in Fiscal Year 2014; and

BE IT FURTHER RESOLVED THAT the General Manager be directed to propose a rate structure for Washington County Rural Water #2 that is a minimum of 5% higher than Washington County Rural Water #1, until debt from the initial construction of Washington County Rural Water #2 is paid, commencing October 1, 2013.

BE IT FURTHER RESOLVED THAT the Board of Directors of the District shall hold a hearing at the August 2013 Board of Directors meeting on altering the boundaries of the Washington County Rural Water #1 improvement project area to include the Washington County Rural Water #2 improvement project area. Such hearing shall be upon the question of the desirability and necessity, in the interest of the public health, safety, and welfare, of the altering of such boundaries, on the rate structure proposed by the General Manager, and upon all other relevant questions regarding the same. Notice of such hearing shall be published prior thereto once each week for three consecutive weeks in a legal newspaper published or of general circulation in the district. At the hearing, landowners within the limits of the territory described and all other interested parties, including any appropriate agencies of state or federal government, shall have the right to be heard.

The following individuals addressed the Board:

Carrie Halford, 802 Madison Street, Ft. Calhoun, NE
Robert Nieto, 1938 County Road 45, Ft. Calhoun, NE
Deb De Boer, 7168 Lakota Lane, Ft. Calhoun, NE
Jim Morley, 7289 Timber Creek Road Ft. Calhoun, NE
Mike Anderson, 12122 County Road P30, Blair, NE
Cindi Perchal, 12333 Kimara Circle, Blair, NE
Len Siedlik, Lot Merriam Circle, Blair, NE
Bob Gloden, 8623 County Road P32, Ft. Calhoun, NE
Bob Volk, 3878 Buckthorn Drive, Blair, NE

Paul Peters briefed his opinion regarding the NRD's authority to loan money. His opinion is attached to these meeting minutes.

Director Japp made a presentation to the Board in regards to this issue. His material is attached to these meeting minutes.

Zach Nelson informed the Board of changes that affected the documents presented by Director Japp. Hook up fees for WCRW #2 were put into the bank account of WCRW #1 until the bank account for WCRW #2 was set up; the funds were then transferred out of the WCRW #1 account.

Roll call was held on the motion. The motion carried on a vote of 9-yea, 1-nay and 1-abstention.

Yea	-	Bonnett, Conley (John), Fowler, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Nay	-	Japp
Abstaining	-	Frost
Excused Absence	-	None

Absent - None

- **MOTION NO. 6** It was moved by Director John Conley that the following Subcommittee recommendation be adopted:

PPO Recommendation #2: Washington County Rural Water #2 County Road P32 Water Main Relocation – Recommendation that the General Manager be authorized to execute a contract with Cedar Construction for the construction of the County Road P32 Water Main Relocation Project in the bid amount of \$118,355, subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.

Director Japp asked how the main relocation would be paid. Staff stated the money would come out of the WCRW #2 savings account.

Roll call was held on the motion. The motion carried on a vote of 10-yea and 1-abstention.

Voting Yea - Bonnett, Conley (John), Fowler, Frost, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay - None
Abstaining - Japp
Excused Absence - None
Absent - None

- **MOTION NO. 7** It was moved by Director John Conley that the following Subcommittee recommendation be adopted:

PPO Recommendation #3.a.: Contracts with MAPA to Manage the Floodplain Buyout Program – King Lake – Recommendation that the General Manager be authorized to execute the King Lake acquisition contract with MAPA in an amount not-to-exceed \$63,000 and to execute the King Lake demolition contract with MAPA in an amount not-to-exceed \$105,000; for a total amount of \$168,000, both in the form as presented to the Subcommittee meeting and subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.

Roll call was held on the motion. The motion carried unanimously.

Voting Yea - Bonnett, Conley (John), Fowler, Frost, Japp, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay - None
Abstaining - None
Excused Absence - None
Absent - None

- **MOTION NO. 8** It was moved by Director John Conley that the following

Subcommittee recommendation be adopted:

PPO Recommendation #3.b.: Contracts with MAPA to Manage the Floodplain Buyout Program – Sarpy County Missouri River – Recommendation that the General Manager be authorized to execute the Sarpy County Missouri River acquisition contract with MAPA in an amount not-to-exceed \$52,500 and to execute the Sarpy County Missouri River demolition contract with MAPA in an amount not-to-exceed \$85,000; for a total amount of \$137,500, both in the form as presented to the Subcommittee meeting and subject to changes deemed necessary by the General Manager and approved as to form by District Legal Counsel.

Roll call was held on the motion. The motion carried unanimously.

Voting Yea	-	Bonnett, Conley (John), Fowler, Frost, Japp, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay	-	None
Abstaining	-	None
Excused Absence	-	None
Absent	-	None

C. Finance, Expenditure and Legal Subcommittee: Director Rich Tesar reported that the FEL Subcommittee met on July 9, 2013, and gave a brief recap of the meeting.

•• **MOTION NO. 9** It was moved by Director Tesar that the following Subcommittee recommendation be adopted:

FEL Recommendation #1: Amendment to Flood Control and Water Quality Enhancement Bond Series 2013B – Recommendation that the Board approve the following amendment to Flood Control and Water Quality Enhancement Bond Series 2013B for the Papio Dam Site 15A Project, by adopting the following resolution, to-wit:

**RESOLUTION
SERIES 2013B (PAPIO DAM SITE 15A PROJECT)**

BE IT RESOLVED BY THE BOARD OF DIRECTORS (THE "BOARD") OF PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT (THE "DISTRICT"), IN THE STATE OF NEBRASKA, as follows:

Section 1. Pursuant to a resolution adopted by the affirmative vote of not less than two-thirds of the Board on May 9, 2013 (the "Original Resolution"), the Board has previously authorized and ordered issued Flood Protection and Water Quality Enhancement Bonds (Tax Exempt Interest), Series 2013B, in the total stated principal amount not to exceed \$42,600,000 (the "Bonds") for the purpose of financing the Project, as

defined in the Original Resolution, and the Board hereby finds and determines, given changes in market conditions since the date of approval of the Original Resolution, that is advisable and necessary for the District to amend the Original Resolution as provided herein.

Section 2. The Original Resolution is hereby amended in the following respects:

(a) Section 2(b) is hereby amended and restated in its entirety as follows:

(b the net interest cost on the Bonds shall not exceed 5.50% per annum;

(b) Section 2(e) is hereby deleted.

Section 3. The Original Resolution, as amended hereby, is hereby ratified and confirmed in all respects.

Section 4. This resolution shall be in force and take effect from and after its adoption as provided by law.

Dan Smith from DA Davidson, and Parker Schenken from Baird Holm LLP, answered questions from the Board in regards to the anticipated payments at the new amended interest rate. The General Manager stated that repayment has already been worked into the budget.

Roll call was taken on the motion. The motion passed on a vote of 8-yea, 2-nay, and 1-abstention.

Voting Yea	-	Bonnett, Conley (John), Fowler, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay	-	Japp, Klug
Abstaining	-	Frost
Excused Absence	-	None
Absent	-	None

•• **MOTION NO. 10** It was moved by Director Tesar that the following Subcommittee recommendation be adopted:

FEL Recommendation #2: Account Over 110% Groundwater Management Plan – Professional Services (01-05-184-4400) – Recommendation that account 01-05-184-4400 be allowed to exceed 110% of the budgeted amount.

Roll call was held on the motion. The motion carried on a vote of 9-yea and 2-nay.

Voting Yea	-	Bonnett, Conley (John), Fowler, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay	-	Frost, Japp
Abstaining	-	None
Excused Absence	-	None
Absent	-	None

- **MOTION NO. 11** It was moved by Director Tesar that the following Subcommittee recommendation be adopted:

FEL Recommendation #3: Account Over 110% Communications NRD (01-01-402-4520) – Recommendation that account 01-01-402-4520 be allowed to exceed 110% of the budgeted amount.

Roll call was held on the motion. The motion carried on a vote of 9-yea and 2-nay.

Voting Yea - Bonnett, Conley (John), Fowler, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay - Frost, Japp
Abstaining - None
Excused Absence - None
Absent - None

- **MOTION NO. 12** It was moved by Director Tesar that the following Subcommittee recommendation be adopted:

FEL Recommendation #4.a.: Review of the FY 2014 Budget – No action was taken by the Subcommittee.

FEL Recommendation #4.b.: 1% Increase to the Budgeted Restricted Funds for Lid Calculation – Recommendation that the following resolution be adopted:

BE IT RESOLVED THAT the Board of Directors of the Papio-Missouri River NRD approves an additional increase of 1% in the Total Unused Restricted Funds Authority, pursuant to Neb. Rev. State. §§ 13-518 through 13-522.

Roll call was held on the motion. The motion failed on a vote of 8-yea and 3-nay. This item required a vote of 9-yea’s in order to pass.

Voting Yea - Bonnett, Conley (John), Fowler, Frost, Klug, Tesar, Thompson, Conley (Fred)
Voting Nay - Japp, Leahy, Woodle
Abstaining - None
Excused Absence - None
Absent - None

TREASURER'S REPORT:

- **MOTION NO. 13** It was moved by Director John Conley and seconded by Director Thompson that the following resolution be adopted:

BE IT RESOLVED that the Treasurer is authorized to expend

general funds to pay: (1) claims listed in the June, 2013, financial report; and, (2) any claims made prior to the next Board meeting for (a) earned salaries of District employees, (b) withholding taxes, (c) social security payments, (d) retirement program contributions, (e) utilities, (f) registration fees and expenses for upcoming meetings and conferences, (g) certified completed CAP and Special Project Area applications, (h) invoices which offer a credit or discount for payment made prior to the next Board meeting, (i) postage, and, (j) building and grounds contract expenses.

BE IT FURTHER RESOLVED that the Treasurer is authorized to pay, from the respective operating accounts of the Dakota County, Thurston County and Washington County #1 and Washington County #2 rural water supply projects, the Elkhorn River Bank Stabilization Project, the Elkhorn Breakout Project, the Elk/Pigeon Creek Drainage Project, and the Western Sarpy Drainage District, the project bills listed on the June, 2013, financial report, and future claims for project utilities.

BE IT FURTHER RESOLVED that the financial reports be affixed to and made a part of the minutes.

Roll call vote was held on the motion. The motion carried on a vote of 9-yea and 2-nay.

Voting Yea	-	Bonnett, Conley (John), Fowler, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay	-	Frost, Japp
Abstaining	-	None
Excused Absence	-	None
Absent	-	None

CHAIRPERSON'S REPORT: The Chairperson stated that he fully supports the actions taken by the Executive Subcommittee. That concluded his report.

GENERAL MANAGER'S REPORT: GM Winkler reviewed the GM Report with the Board and noted that the report had been posted to the website. Gerry Bowen gave an update on the current status of the South Omaha and Mopac Trails.

ELECTION OF P-MRNRD OFFICERS:

The Chairperson turned the elections of P-MRNRD Officers over to Vice-Chairperson Klug.

A. **Chairperson:** The Vice-Chairperson opened the floor for nominations for Chairperson. Director Tesar nominated Fred Conley as Chairperson. There were no other nominations. It was moved by Director Tesar and seconded by Director John Conley to close nominations.

B. **Vice-Chairperson:** The Chairperson opened the floor for nominations for Vice-Chairperson. Director Fowler nominated Director David Klug as Vice-Chairperson. There were no other

nominations. It was moved by Director Thompson and seconded by Director Leahy to close nominations.

C. **Secretary:** The floor was opened for nominations for Secretary. Director John Conley nominated Rich Tesar as Secretary. There were no other nominations. It was moved by Director Klug and seconded by Director Thompson to close nominations.

D. **Treasurer:** The floor was opened for nominations for Treasurer. Director Tesar nominated John Conley as Treasurer. There were no other nominations. It was moved by Director Thompson and seconded by Director Tesar to close nominations.

Treasurer John Conley ratified his appointment of Assistant Treasure to Tim Fowler.

ELECTION OF NARD DIRECTOR AND ALTERNATE DIRECTOR:

The floor was opened for nominations for NARD Director and Alternate Director. Director Thompson nominated Rich Tesar for NARD Director. Director Tesar nominated Tim Fowler for NARD Alternate Director. It was moved by Director John Conley and seconded by Director Klug to close nominations.

•• **MOTION NO. 14** It was moved by Director Klug and seconded by Director Leahy that the following resolution be adopted:

BE IT RESOLVED that the following named persons be and are hereby elected officers of the Papio-Missouri River Natural Resources District for the coming year and until a successor has been elected: **Fred Conley**, Chairperson; **David Klug**; Vice-Chairperson; **Rich Tesar**, Secretary; and, **John Conley**, Treasurer.

BE IT FURTHER RESOLVED that the Treasurer's written designation of **Tim Fowler** as Assistant Treasurer is concurred in by the Board of Directors.

BE IT FURTHER RESOLVED that the presently elected Treasurer, **John Conley**, and the designated Assistant Treasurer **Tim Fowler**, be and are hereby authorized to serve until such time as bonding is completed on the Treasurer-elect and the Assistant Treasurer designate.

BE IT FURTHER RESOLVED that **Rich Tesar** is hereby elected the Nebraska Association of Resources Districts Director for the coming year; and, **Tim Fowler** is hereby elected the Nebraska Association of Resources Districts Alternate Director for the coming year.

Roll call vote was held on the motion. The motion carried unanimously.

Voting Yea	-	Bonnett, Conley (John), Fowler, Frost, Japp, Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay	-	None
Abstaining	-	None
Excused Absence	-	None
Absent	-	None

INFORMATIONAL ITEMS:

A. Future Meetings: The Chairperson reviewed the following upcoming meetings with the Directors:

July 25, 2013	Papillion Creek Watershed Partnership Meeting 10:00 a.m., at NRC
August 6, 2013	P-MRNRD Subcommittee Meetings
August 8, 2013	P-MRNRD Board Meeting
August 22, 2013	Papillion Creek Watershed Partnership Meeting, 10:00 a.m., NRC
August 29, 2013	LPRCA 2013 Water Quality Open at Quarry Oaks Golf Course, 11:00 a.m. check-in
September 10, 2013	P-MRNRD Subcommittee Meetings
September 12, 2013	P-MRNRD Board Meeting in Dakota City

B. Next Meeting: The next regularly scheduled meeting of the P-MRNRD Board of Directors will be held on August 8, 2013 at the NRC.

ADJOURNMENT: Being no further business, at 8:53 p.m. the Chairperson declared that the meeting was adjourned.

NOTE: These minutes reflect the actions and votes taken at the July 11, 2013 Board of Directors Meeting of the Papio-Missouri River Natural Resources District and are not an official transcript of the meeting. The audio cast of this meeting can be found on our website at www.papionrd.org.

I, the undersigned, Secretary of the Papio-Missouri River Natural Resources District, hereby certify that the foregoing are true and correct minutes of a meeting of the Board of Directors of the District held on July 11, 2013 that all of the subjects included in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and readily available for public inspection at the office of the District; that such subjects were contained in said agenda at least twenty-four hours prior to said meeting; that at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; that the minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body; and, that all news media requesting notification of the meeting of said body were provided advance notification of the time and place of said meeting.

Richard Tesar
District Secretary