



**PAPIO-MISSOURI RIVER
NATURAL RESOURCES DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
August 8, 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 August 8, 2013. The meeting was called to order by Chairperson Fred Conley at 7:01 p.m.

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

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

ADOPTION OF AGENDA:

- **MOTION NO. 1** It was moved by Director Thompson and seconded by Director Klug that the agenda be adopted.

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

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

ADOPTION OF CONSENT AGENDA: Prior to the adoption of the Consent Agenda, Director Japp stated that the minutes from the July 11, 2013 Board of Directors meeting were not accurate. Reference was made to pages 4 and 5 of those minutes. He stated that the Board of Directors never discussed the Resolution that was presented at the Board meeting in reference to

holding a public hearing in August of 2013 on altering the boundaries of the Washington County Rural Water #1 IPA to include the Washington County Rural Water #2 IPA. Staff member Jean Tait stated that the recommendations and actions taken by the Board, as written in the Resolutions and voted on by the Board; are then incorporated into the meeting minutes as an adopted action by the Board. The Resolutions are provided to all Board members, and are displayed on the screen during the Board meeting. When Board action is taken, it is based on the written Resolution. Meeting Resolutions are posted to the website on the day of the Board Meeting and are available to the general public. (Note: The Resolutions for the July 11, 2013 Board of Directors Meeting were posted to the website on July 11, 2013 at 11:27 a.m.) There was additional discussion.

The following individual addressed the Board:

➤ Carrie Halford, 802 Madison Street, Fort Calhoun, Nebraska

- **MOTION NO. 2** It was moved by Director Tesar and seconded by Director Klug 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 August 8, 2013, Board of Directors Meeting:

Tim Fowler.

Agenda Items 7.A. and 7.B.:

BE IT RESOLVED that the July 11, 2013 Papio-Missouri River NRD Board meeting minutes and the July 10, 2013 Dakota County Rural Water Advisory Board meeting minutes are approved as printed.

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

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

PROOFS OF PUBLICATION OF MEETING NOTICE: Notice of the meeting was published in the Omaha World Herald on August 1, 2013. The District's June 14-July 11, 2013, expenditures were published in the Dakota County Star on July 18, 2013. The Chairperson

ordered the Proofs of Publication be 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. Neil's report is posted to the website and attached to these meeting minutes.

B. Nebraska Association of Resources Districts Report: Director Tesar stated that Husker Harvest Days will be held in Grand Island, Nebraska on September 10-12, 2013, and that the NARD Annual Conference will be held in Kearney, Nebraska on September 23-24, 2013. He encouraged Directors to attend.

C. Legislative Report – Husch Blackwell: No report was submitted.

D. Lower Platte River Corridor Alliance Report: No report was submitted.

PUBLIC COMMENT AND INPUT ON P-MRNRD FY 2014 BUDGET: General Manager Winkler reviewed the FY 2014 Budget – Draft 2. The floor was opened to the public. The following individuals addressed the Board:

- Doug Kagan, Nebraska Taxpayers for Freedom, 12320 William Street, Omaha, NE. A copy of his testimony is attached to the file copy of these minutes.
- Shawn Melotz, 10404 N. 132nd Street, Omaha NE. A copy of her testimony is attached to the file copy of these minutes.
- Scott Japp, 4752 County Road 15, Arlington, NE.
- Paul Meyer, 14823 Drexel Street, Omaha, NE.

PUBLIC HEARING ON ALTERING THE BOUNDARIES OF WCRW #1 IPA TO INCLUDE WCRW #2 IPA:

Chairperson Fred Conley appointed GM Winkler as the Hearing Officer. GM Winkler called the hearing to order at 7:36 p.m. Hearing Officer Winkler submitted the following exhibits for the record.

- Exhibit 1** Agenda
- Exhibit 2** Proof of Publication and Notice of Public Hearing
 - ◆ Omaha World Herald - July 26, 2013
 - ◆ Omaha World Herald - July 29, 2013
 - ◆ Omaha World Herald - August 5, 2013
- Exhibit 3** Washington County Rural Water Project – Boundary Expansion
Public Hearing Power Point Presentation

Hearing Officer Winkler asked Paul Peters, District Legal Counsel, to come forward to address the purpose of the Hearing. Mr. Peters stated the Hearing, under Section 2-3254 and 2-3252 Neb. Rev. Statutes, is in the interest of public health, safety and welfare. He asked staff to display the Board Resolutions of August 8, 2013 to address the purpose of the Hearing. Mr. Peters stated three

primary purposes of the Hearing; (1) to establish a new revised project boundary for Washington County Rural Water System Improvement Project Area, (2) set new a water rate schedule, and (3) make a statement that the Board of Directors rejects the actions of the Fort Calhoun Papio-Missouri River NRD Advisory Board. Mr. Peters informed the Board that on August 7, 2013, the City of Fort Calhoun filed two lawsuits against the District. The first is a petition in error where the City of Fort Calhoun complained that the District didn't change the boundaries of the Washington County Rural Water System. The other, is a complaint that the decision made by the Board of Directors to financially merge the Improvement Project Areas of Washington County Rural Water #1 and Washington County Rural Water #2 breached the terms of an agreement with the Washington County Rural Water #1 Advisory Board by not adopting a decision that was made by the Advisory Board on June 18, 2013. Mr. Peters added that after the Public Hearing the Board will vote on a Resolution that would mute the legal actions taken against the District.

Zach Nelson gave a power point presentation on the Washington County Rural Water Project Boundary Expansion Public Hearing that mapped the combined boundaries of the Washington County Rural Water System and discussed the proposed water rate structures effective October 1, 2013. The following individuals gave testimony on this issue:

- David Genoway, 121 North 10th Street, Fort Calhoun, NE.
- Carrie Halford, 802 Madison Street, Fort Calhoun, NE.

There was discussion by the Board. The Hearing Officer closed the Public Hearing at 8:08 p.m. and returned the floor to Chairperson Fred Conley.

A. Review and Recommendation of Washington County Rural Water System Boundaries and Rate Schedule:

- **MOTION NO. 3** It was moved by Director John Conley and seconded by Director Thompson that the following Resolution be adopted:

Whereas, the Board of Directors of the Papio-Missouri River Natural Resources District, on its own motion, has proposed to alter the boundaries of the District's Washington County Rural Water System No. 1 Improvement Project ("System No. 1"), in the interest of the public health, safety and welfare, in order to encompass and include, within such altered boundaries, all of the improvement project area of the District's present Washington County Rural Water System No. 2 ("System No. 2"), and all of the additional areas of Douglas and Washington Counties presently served by the District outside the present boundaries of System No. 1 and System No. 2, all such encompassed areas being shown on the proposed boundary map ("New Washington County Rural Water System No. 1 Boundary Map") presented by Management at this meeting; and,

Whereas, this Board of Directors has held a hearing on published notice, as provided by § 2-3254, Neb. Rev. Stat., on the desirability and necessity, in the interest of the public health, safety and welfare, of altering such boundaries, on the question of the appropriate boundaries describing affected land and on all relevant questions regarding such issues; and, hereby finds and determines that the boundaries of System No. 1 should be expanded to encompass System No. 2 and the additional areas of Washington and Douglas Counties, outside the present boundaries of System No. 1 and System No. 2, that presently are served with water by System No. 1 or System No. 2; and that, accordingly, the aforesaid new

Washington County Rural Water System No. 1 Boundary Map should be adopted and implemented by the District for the unification and governance by the District of all portions of such water systems within the new boundaries shown therein.

Now, therefore, be it resolved by the Board of Directors of the Papio-Missouri River Natural Resources District that the boundaries shown in the New Washington County Rural Water System No. 1 Boundary Map should be and hereby are adopted for the unification and governance of the District's present water supply systems within Washington and Douglas Counties, under the name and style of the "Washington County Rural Water System," effective upon the adoption of this resolution.

Be it further resolved that the water rate schedules for the Washington County Rural Water System, presented at the aforesaid hearing, are hereby adopted.

Be it further resolved that the Board of Directors hereby expressly determines that the June 18, 2013 votes and actions by the Fort Calhoun Papio NRD Joint Water Project Board, rejecting the financial merger of System No. 1 and System No. 2, and rejecting a new rate structure for Water System No. 1, are unreasonable, inequitable, and contrary to the public interest, and are of no force and effect.

Director Japp asked if the City of Fort Calhoun and/or the City of Blair and the Washington County Supervisors were notified of the Public Hearing. The General Manager stated the Public Meeting Notice of Public Hearing was advertised for 3 consecutive weeks as required. There was discussion on the Resolution.

Roll call was held on the motion. The motion carried on a vote of 6-yea and 4-nay.

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

After the vote, Director Bonnett instructed staff to bring forth a recommendation to next month's Subcommittee on an option for a new Advisory Board for the Washington County Rural Water System and to get an appraisal for the possible sale of the entire Washington County Rural Water System. There was discussion and staff was instructed to receive bids for the cost of said appraisal.

SUBCOMMITTEE REPORTS:

A. Programs, Projects and Operations Subcommittee: Director John Conley reported that the PPO Subcommittee met on August 6, 2013, and gave a brief recap of the meeting.

•• **MOTION NO. 4** It was moved by Director John Conley that the following Subcommittee recommendation be adopted:

PPO Recommendation #1: Nebraska Environmental Trust (NET) Grant Application for Acquisition of Fee Title or Conservation Easements at the Confluence of the Platte to the Missouri River - Recommendation that the Papio-Missouri River NRD submit a \$3.6 million grant

application to the Nebraska Environmental Trust for funding of the acquisition of fee title or conservation easements in the area of the confluence of the Platte and Missouri Rivers.

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

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

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

PPO Recommendation #2: Nebraska Environmental Trust (NET) Grant Application for Groundwater Quality Monitoring Wells – Recommendation that the Papio-Missouri River NRD submit a grant application to the Nebraska Environment Trust for the installation of monitoring well sites.

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

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

*Director Japp was out of the room at the time of roll call vote.

PPO Recommendation #3: Amendment to District Policy 4.8 Board Meetings – Right to Speak – Item failed in Subcommittee.

C. Finance, Expenditure and Legal Subcommittee: Director Rich Tesar reported that the FEL Subcommittee met on August 6, 2013, and gave a brief recap of the meeting.

•• **MOTION NO. 6** It was moved by Director Tesar that the following Subcommittee recommendation be adopted:

FEL Recommendation #1: Purchase of Proposed ROW of Foreclosure No. 2757-01 for the Little Papio Channel Project (Center Street to Grover Street) – Recommendation that the General Manager be authorized to execute such written instruments as he feels necessary to purchase Foreclosure No. 2757-01 parcel for the Papio Channel Project, that are approved as to form by District Legal Counsel.

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

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

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

FEL Recommendation #2: Proposed Right of Way Exchange for Pigeon/Jones Site 15 – Recommendation that the General Manger be authorized to execute such written instruments as he determines necessary, and District Legal Counsel approves as to form, to effect an exchange of Tract 1 and Tract 2 as identified on Exhibit 1, of the attached map for the Pigeons/Jones Site 15 project, as presented to the Subcommittee.

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

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

- **MOTION NO. 8.** It was moved by Director Tesar that the following Subcommittee recommendation be adopted:

FEL Recommendation #3: Review of the FY 2014 Budget – Recommendation that the FY 2014 proposed budget option 3 with no levy increase, as presented at the meeting of the Subcommittee, be forwarded for review at the September 12, 2013, Budget Hearing, with the provision that the General Manager be authorized to make necessary adjustments once final valuation figures are available to achieve compliance of state statutes regarding the lid.

The following individuals addressed the Board:

- Shawn Melotz, 10404 N. 132nd Street, Omaha, Nebraska

- **MOTION NO. 8.a.** It was moved by Director Klug and seconded by Director Frost to amend the original motion as follows:

Amended Motion #1 Recommendation was to move \$200,000 from the Zorinsky Basin

#1account 02-01-562-4410, Construction Cost, into the Conservation Assistance Program account 01-04-507-4195.

Discussion was held by the Board members. Staff member Terry Schumacher informed the Board that of the \$1.3 million in CAP applications, approximately \$838,000 of the applications is for projects in Washington County. He added that the CAP money isn't only used for terracing, but is also used for tree planting, grass seeding, dams, water ways, etc.

Roll call was held on the amended motion. The motion failed on a vote of 4-yea and 6-nay.

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

- **MOTION NO. 8.b.** It was moved by Director Leahy and seconded by Director Klug to amend the original motion as follows:

Amended Motion #2 Recommendation was to move \$240,000 from the Chalco Hills account 01-06-264-4479 Contract Work and to place \$200,000 into the Conservation Assistance Program account 01-04-507-4195 and \$40,000 into the cash reserve account 01-01-000-4999.

Discussion was held by the Board members.

Roll call was held on the amended motion. The motion carried on a vote of 6-yea, 3-nay and 1-abstention.

Voting Yea - Frost, Japp, Klug, Leahy, Woodle, Conley (Fred)
Voting Nay - Conley (John), Tesar, Thompson
Abstaining - Bonnett
Excused Absence - Fowler
Absent - Fowler

- **MOTION NO. 8.c.** It was moved by Director Thompson and seconded by Director John Conly to amend the original motion as follows:

Amended Motion #3 Recommendation was to increase the budget by \$1,060,000 or to a tax levy of .034753.

Discussion was held by the Board members.

Roll call was held on the amended motion. The motion failed on a vote of 3-yea and 7-nay.

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

Excused Absence - Fowler
Absent - Fowler

- **MOTION NO. 8.d.** It was moved by Director Japp and seconded by Director Frost to amend the original motion as follows:

Amended Motion #4 Recommendation was to combine the two separate bond accounts into one account.

Discussion was held by the Board members. The General Manager stated that the bond accounts are separate because the bonds are accounted for and tracked under different project numbers.

Roll call was held on the amended motion. The motion failed on a vote of 2-yea and 8-nay.

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

Original Motion as Amended

Roll call was held on the original motion as amended. The motion passed on a vote of 7-yea and 3-nay.

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

TREASURER'S REPORT:

- **MOTION NO. 9** 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 July, 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 Rural Water Supply Project, 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 July, 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 8-yea, 1-nay and 1-abstention.

Voting Yea	-	Bonnett, Conley (John), Klug, Leahy, Tesar, Thompson, Woodle, Conley (Fred)
Voting Nay	-	Japp
Abstaining	-	Frost
Excused Absence	-	Fowler
Absent	-	Fowler

CHAIRPERSON'S REPORT: The Chairperson had no 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. The District's Government Relations has been extremely busy during the month of July, working on several projects; one being the rehabilitation of the Bellevue-Sarpy County Levee. There will be a meeting held at the end of August with the Sarpy County Chamber, Department of Defense and State Representatives of that area to begin discussion of issues related to the rehabilitation. The GM has also been meeting with our Washington D.C. representatives, specifically with Congressman Terry who has been of great assistance in helping to get the Western Sarpy Clear Creek Project completed. He also attended the Legislative Summit that was held on August 8, 2013. The discussion from the Summit was that there is little confidence in getting an approved budget this year and that the government will run on continuing resolutions for the 5th year in a row. Congressional delegation has been extremely supportive of this district and he will continue to keep the Board informed on ongoing communications.

Director Bonnett stated he didn't see the Washington County Rural Water System listed as an asset in the District's budget. He would like to know the value of the Washington County Rural Water System as an asset, with an appraised value of the newly reformed water system boundary, the operation as a whole, construction cost, revenue and operation costs, etc. as if it would be put up for sale. There was discussion and the General Manager will look into how much this would cost and bring information forward to the Subcommittee next month.

INFORMATIONAL ITEMS:

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

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 7, 2013	World of Water at Chalco Hills 12:00 p.m. – 4:00 p.m.
September 10-12, 2013	Husker Harvest Days, Grand Island, Nebraska
September 10, 2013	P-MRNRD Subcommittee Meetings
September 12, 2013	P-MRNRD Board Meeting in Dakota City
September 23-24, 2013	NARD Annual Conference, Kearney, Nebraska
October 8, 2013	P-MRNRD Subcommittee Meetings
October 10, 2013	P-MRNRD Board Meeting

B. Next Meeting: The next regularly scheduled meeting of the P-MRNRD Board of Directors will be held on September 12, 2013 at the Dakota City Field Office.

ADJOURNMENT: Being no further business, at 9:01 p.m. the Chairperson declared that the meeting was adjourned.

NOTE: These minutes reflect the actions and votes taken at the August 8, 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 the meeting of the Board of Directors of the District held on August 8, 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