Agenda Item: 11.

MEMORANDUM

TO THE BOARD:

SUBJECT: General Manager Report

DATE: April 6, 2006

FROM: Marlin Petermann, Assistant General Manager

A. <u>INFORMATION/EDUCATION REPORT</u>: A copy of the I&E Report detailing Information and Education activities for the month of March, 2006, is attached for your review.

B. MISCELLANEOUS/PERSONNEL ITEMS:

- Thank You's Attached is a letter from Kenneth Huibregtse, Manager, Department of Veterans Affairs - Nebraska and Western Iowa Health Care System, thanking the District for the use of meetings rooms for the Department of Veterans Affairs Advance meeting on February 22, 2006.
- C. <u>REPORT ON PURCHASES CONSTRUCTION SERVICES</u>, <u>PROFESSIONAL SERVICES</u>, <u>PERSONAL PROPERTY</u>: Pursuant to Board direction, attached is a report indicating construction services, professional services and personal property purchases for the month of March, 2006. Please review this report and contact me if you have any questions.
- D. <u>CURRENT AND ON-GOING PROJECTS P-MRNRD LEGAL COUNSEL</u>: Attached is a copy of the current and on-going projects for District Legal Counsel, Paul Peters, as of March 13, 2006. I would ask each Director to review this listing. If you have any questions, please feel free to contact me.
- E. WORKERS COMP EXPERIENCE MOD FOR FY 2007: Attached is a copy of the claim/loss report prepared by the National Council on Compensation Insurance for Papio-Missouri River NRD Workers Comp effective July 1, 2006. The experience mod for FY 07 has been set at .79. As a point of reference, the experience mod for the District for FY 2006 was 1.02. A rating of 1.00 means that you are the average for companies in your category and you will pay 100% of the base premium for workers comp. A factor of .79 means that the District has earned a 21% credit on our base premium. District employees are to be commended for practicing established safety rules and guidelines in our O&M facilities, job sites and offices.
- F. STATE LEGISLATIVE UPDATE: A couple of Legislative Bills significant to the P-MRNRD are before the Nebraska Legislature in the final days of the 2006 Session, which ends Thursday, April 13th. One bill that did pass and is expected to be signed by the Governor is LB 1226. It contained a number of provisions including:

- a. a measure that would allow NRDs that contain river basins with water use deemed fully or over-appropriated to set higher property tax levies up to 3 cents during the next 3 years; and,
- b. a grant program administered by NDEQ of \$2.5 million a year for two years to help cities comply with federal stormwater run-off regulations.

Another bill originally LB 784, which was combined into LB 1113 which is on select file as a Judiciary Committee priority bill, would require NRDs to provide public access to water projects. The NARD and numerous Districts have been working with the legislature to amend the bill to eliminate that provision.

G. **NEWS CLIPS**:

- ❖ March 6, 2006, Omaha World Herald Article Nebraska's next big lake debate. A board will decide if plans for a long-discussed reservoir near Pawnee City move forward.
- ❖ March 6, 2006, Omaha World Herald Article Nelson wants flood plain answers from agencies.
- ❖ March 7, 2006, Omaha World Herald Article Cherokee, Iowa, floats lake idea.
- ❖ March 7, 2006, Omaha World Herald Article Snowmelt runoff forecast is 'cautiously optimistic.' North Platte River irrigators may get full water allocations.
- ❖ March 9, 2006, Papillion Times Editorial Amphitheater needs partnership to reach its goal.
- ❖ March 10, 2006, Omaha World Herald Article Nabity calls water policies unfair.
- ❖ March 10, 2006, Omaha World Herald Article More Republican basin talks planned.
- ❖ March 10, 2006, Omaha World Herald Article Lake idea suffers blow with NRD vote. Opponents say victory may be temporary.
- ❖ March 10, 2006, Omaha World Herald Article A stretch for Omaha's sewer system. With a deal to serve two subdivisions near the Elkhorn River in the works, plans for a treatment plant die.
- ❖ March 10, 2006, Papillion Times Article Amphitheater approaching goal.
- ❖ March 15, 2006, Omaha World Herald Article Omaha planning official will stick around.
- ❖ March 16, 2006, Omaha World Herald Article Irrigators' vote sends water and message to Kansas.
- March 16, 2006, Papillion Times Article Channel improvements to double Papio's flood capacity.
- ❖ March 18, 2006, Omaha World Herald Article Boom along I-80 corridor unlikely, urban planner says.
- ❖ March 21, 2006, Omaha World Herald Article Amphitheater's backers look for \$200,000.
- ❖ March 23, 2006, Omaha World Herald Article Beutler: Deal allows 'double-dipping' by irrigators.
- ❖ March 23, 2006, Omaha World Herald Article NRD chief's job is in jeopardy.
- ❖ March 24, 2006, Omaha World Herald Article Oltmans suspended as board investigates.
- ❖ March 25, 2006, Omaha World Herald Editorial and Political Cartoon The Oltmans matter.
- ❖ March 26, 2006, Sioux City Journal Article Hubbard lake to slake thirst for recreation.
- ❖ March 28, 2006, Blair Pilot-Tribune Article Oltmans' suspension won't affect dam plan.

- ❖ March 29, 2006, Omaha World Herald Public Pulse Letter An embarrassment, written by Bonnie Sykes, Norfolk, NE
- ❖ March 30, 2006, Omaha World Herald Public Pulse Letter Fire Mr. Oltmans, written by Matthew Herrley, Omaha, NE
- ❖ March 30, 2006, Dakota County Star Article Interlocal agreement approved for Hubbard's recreation area.
- ❖ April 4, 2006, Blair Pilot-Tribune Letter to the Editor − Oltmans should be fired, written by Bob and Amy Harper, Kennard, NE
- ❖ April 6, 2006, Omaha World Herald Picture Proposal for two dams questioned.
- ❖ April 6, 2005, Lincoln Journal Star Article Bigger tax bills could be in store in watershort NRDs. Districts having river basins with water use deemed fully or overappropriated could set higher property tax levies under bill.

/pt/SO/GM Reports/2006/April



DEPARTMENT OF VETERANS AFFAIRS NEBRASKA-WESTERN IOWA HEALTH CARE SYSTEM

Omaha 4101 Woolworth Avenue Omaha NE 68105-1873

Lincoln 600 S 70th Street Lincoln NE 68510-2493

Grand Island 2201 N Broadwell Avenue Grand Island NE 68803-2196

In Reply Refer To:

March 7, 2006

Chalco Hills Recreation Area 8901 South 154 Street Omaha, NE 61838

To Whom It May Concern:

I would like to take this opportunity to thank you for allowing our organization to utilize one of your meeting rooms for our Department of Veterans Affairs (VA) Advance meeting on February 22, 2006.

We have had the pleasure of using your meeting facilities on several occasions, and as always, it was delightful. In this instance, it allowed me to have an annual face-to-face meeting with all my leadership staff in a highly productive setting. IHANKS!!

Thank you.

Sincerely,

KÆNNETH R. HUIBREGTSE

Manager, Business Office

March 2006

Information & Education Report

Information

- Ontinued assisting other staff on Reservoirs effort
- Degan work on design of greeting/thank you cards for use by NRDs.
- Ontinued work on mounts for visitors center wildlife exhibit
- ♦ Continued work on NRD exhibit in visitors center
- ♦ Began work on Spring 2006 SPECTRUM.
- ♦ Sent RFP for SWCS video
- ♦ Continued updates on KETV web and TV promos

Education

	Continued to plan Spring NRD programming
	Continued working with Nebraska Pheasants Forever, LEP volunteers, and location sponsors on
	Leopold Education Project workshops for 2006
	Continued promotion of NRD outdoor classroom grants
	Attended Water Works 2006 Planning Meetings
	Assembled teacher letters/packets
	Continued working with LPRCA Outreach & Education Committee on PSA's and Kiosks
	Presented to Environmental Studies Class from Millard South (3/13/06 & 3/20/06)
	Held Metro Regional Envirothon 2006
	Continued planning for Earth Day 2006
	Arranged for LEP materials at 3 Pheasants Forever Banquets
	Managed 35 volunteer hours
	Sent out Wellness E-mails to staff
	Continued working on LEP curriculum up dates
Ü	Presented Groundwater Programs UNO and Marrs Elementary
	Continued taking orders for free seedlings, and sending out NRD seed packets
	Presented at Earth Wellness Festival
	Staffed NRD booth at Boat Sports and Travel Show
	Intern attended NeRain training
	Delivered treats to school partners for Teacher Recognition Day
	Enviroscape presentations for Parrish School environmental day
	Presented Frog and Turtle program for Boy Scout Meeting
	Presented Bird/Nest program for at K and 1st grades at Benson West
\Box	Attended National Outdoor Classroom meeting at Norris High School
	Started planning Grace Abbott Outdoor classroom sites
	Arranged for NRD funding for Water Works, Earth Day Nebraska LEP
	Worked with Kelly Fravel to get more NRD bird houses for Spring Programs
	Started planning for April WET/WILD/PLT/LEP teacher training
	Started coordination for Outdoor Classroom research

Report On Purchases Construction Services, Professional Services, Personal Property

March, 2006



Updated: March 13, 2006

Current and On-Going Projects P-MRNRD Legal Counsel

© = Top Priority

F = Future Work - No Assignment

N = New Assignment

O = Others Handling

W = Work in Progress

P = PFP's Portion Completed

- Little Papio: (Cleveland)
- **<u>Big Papio</u>**: (Cleveland)
- West Branch (Cleveland):
 - Land Exchange with Sarpy Co. (96th St.) (P)
- Western Sarpy Dike (Cleveland):
 - o Closing with Bundy's (potentially modify ROW/offer) (F)
 - o Amended drainage ditch easements on Hickey (First National Property) (P)
 - o Hansen ROW Condemnation (W)
- Floodway Purchase Program (Woodward):
 - o Floodway Property Purchase Agreements as needed (F)
- Trail Projects (Bowen):
 - O Western Douglas County Trail Ehrhart Griffin professional services contract (P)
 - **②** Mopac Trail Purchase Agreements and easements (W)
 - Mopac Trail Trailhead easement on OPPD tract at Springfield (W)
- Missouri River Corridor Project (Becic):
 - o California Bend Appeal District Court ruling on Wright's tenant (Arp) (W)
 - Lower Decatur Bend Closing for Williams (P)

• <u>USDA P.L. 566 Projects, Silver Creek and Pigeon/Jones Watershed</u> (Puls/Cleveland):

- o Pigeon/Jones Creek Site Easements as needed (F)
- Silver Creek Site Easements— as needed (F)
- o Release of Site S-7 Easement (W)
- o S-27 Interlocal Agreement with SIDs on Dam Rehab/Trail Replacement (N)
- Papio Watershed Dam Sites (Woodward/Petermann):
 - o Dam Site 19 agreement (F)
 - O DS 13 Agreement with Elkhorn and Omaha (P)
 - O DS 13 Closing with Metro Community College (P)
 - Shadow Lake ROW Closing (P)
- Papio Creek Watershed Partnership (Stormwater) (Woodward):
- Rural Water Projects: (Sklenar)
 - Assignment of Water Line Easements to City of Blair (N)
- Elkhorn River Public Access Sites (Sklenar):
- Other:

/peters/project lists/2006 - March



Important Information About Your Workers Compensation Insurance

Dear Policyholder:

The National Council on Compensation Insurance, Inc. (NCCI), headquartered in Boca Raton, Florida, is the nation's largest information company serving the workers compensation marketplace. We provide information services to state funds, self-insureds, independent bureaus, insurance agents, regulatory authorities, insurance companies and employers like you.

A copy of your current experience rating worksheet is enclosed. NCCI calculates your rating annually on behalf of the insurance industry. The experience rating modifier, detailed on this worksheet, is one of the factors used to calculate your workers compensation insurance premium. A copy of your worksheet will be sent to you each year as part of NCCI's continuing efforts to increase employer awareness of safety in the workplace and its impact not only on your employees, but on your bottom line. Please remember, SAFETY in the workplace is one of the best ways to reduce workers compensation insurance costs.

Your experience rating factor can be found in the bottom right corner of the worksheet. A factor higher than 1.00 means your premium will be higher than that of the average company in your category. For example, a factor of 1.10 means your base premium will be surcharged 10 percent. A factor of .90 means you have earned a 10 percent credit on your base premium.

Many items impact your final experience factor including your payroll classification(s), your payroll, the frequency of injuries to your employees, and the dollar value of those injuries (the amount of medical and lost wage benefits paid to your injured employees as well as the amount of money held in reserve to pay continuing benefits). This information is reported to NCCI annually by your insurer.

If you have any questions regarding your experience rating, you should contact your insurance agent or insurance company for assistance. It is also recommended that you retain this worksheet for your files and for comparision to future annual calculations.

WORKERS COMPENSATION EXPERIENCE RATING

PAPIO MISSOURI RIVER NATURAL

RESOURCES DISTRICT

EFFECTIVE DATE

07/01/06

OF RISK

RISK IDENT. NO 260213776

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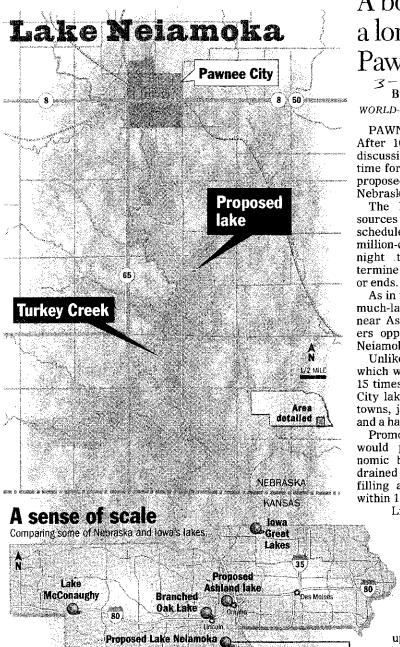
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Nebraska's next big lake debate?



A board will decide if plans for a long-discussed reservoir near Pawnee City move forward.

By Paul Hammel

WORLD-HERALD STAFF WRITER

PAWNEE CITY, Neb. -After 10 years of study and discussion, it's sink-or-swim time for a 3,500-acre reservoir proposed near this southeast Nebraska farm town.

The Nemaha Natural Resources District board has scheduled votes on the multimillion-dollar idea Thursday night that likely will determine if planning continues

As in the controversy over a much-larger lake proposed near Ashland, many landowners oppose the idea of Lake Neiamoka.

Unlike "Lake Ashland" --which would have been nearly 15 times larger - the Pawnee City lake would not flood any towns, just pastures, cropland and a handful of homes.

Promoters say a reservoir would provide a vital economic boost to a rural area drained of population, while filling a need for recreation within 100 miles of Omaha and Lincoln.

One huge question mark is money.

A lead promoter, former Omaha Central football coach William Reed, says he has three groups of investors ready to step forward with upward of \$80 million to

fund the project.

That private money, he said, would pay for land, the dam, and sewer and water-treatment facilities for a development that would include two golf courses and lots for 3,000 luxury homes and cabins.

But there are plenty of doubters.

Local detractors say they've heard nothing but talk. They predict an ugly legal fight if eminent domain powers were used to acquire land.

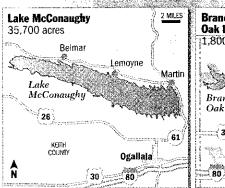
"I'm not too worried about it until I see who's going to come up with all this money," said June Hess, whose family farm sits on the proposed dam site on Turkey Creek, south of Pawnee City.

"There's no definite anything," said Roxann Buman, a Pawnee City Council member. "Everything we've been told has changed more than once."

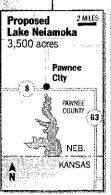
Reed and others in the development group he's formed, the Louisiana Purchase Group. urge patience. They say it's too early for investors to step forward.

"In my opinion, there's two sorts of people - those who are for the lake and those who will be for the lake," said Pawnee City Attorney Joe Stehlik, a member of a local economic development group.

Even farmers would benefit, Stehlik said. He predicted that See Lake: Page 2











Lake: Ex-coach says he has investors to back project

Continued from Page 1 they would receive two to three times the going rate for their land

A reservoir idea first was floated in the Pawnee City area 30 years ago. Plans resurfaced in 1996, calling for a smaller reservoir that would control flooding and allow water recreation.

Fifteen months ago, Reed, who now works as golf pro in nearby Falls City, pumped new life into the idea.

He told a group of lake backers, the Southeast Nebraska Lake Association, that he had private investors willing to finance the development costs. Reed brought two Heisman Trophy winners, Johnny Rodgers and Eric Crouch, to the meeting to tout the idea.

Lake Neiamoka, a combination of the abbreviations for the four states in the region, would be twice as large as the one proposed in 1996 and would have none of the flood-control aspects.

A new benefit — using the

"It's going to be an ugly battle," because some farmers won't want to sell.

Scott Farwell, farmer from DuBois, Neb.

lake as a possible source of drinking water — is being considered. But its main purpose remains luring boaters and residents to an area that has lost nearly one-third of its population in 30 years.

Reed resigned as a teacher in Omaha in 1991 after it was discovered that he didn't have a college teaching degree and after he was convicted of improperly touching and kissing a student.

Reed and others with the Louisiana Purchase Group say his past has no relevance to the lake project. Reed said people need to judge the project by the team he's assembled.

That includes Roy Bechtol, a Texas golf course designer; Olsson Associates, an Omaha firm that designed several Nebraska dams and produced a 130-page feasibility study of the Pawnee City project; and the Omaha law firm of Stinson, Morrison, Hecker, which represents the Louisiana Purchase Group.

Steve Johnson, an Omaha attorney representing Louisiana Purchase, said that while it might be hard to envision Pawnee City as a "weekend destination," it could become one if you added water, golf courses, luxury homes and other amenities.

A big hurdle would be land acquisition. Reed estimates that it might cost as much as \$60 million to acquire the 10,000 acres needed — 4,000 acres for the dam and lake and 6,000 acres for private development and public parks.

While expressing hope that the land will be privately purchased, Reed said "a handful of people" should not be allowed to stop the project by refusing to sell their land.

Scott Farwell, a farmer from DuBois, said it's a virtual certainty that some farmers won't sell and that eminent domain powers would be necessary. "It's going to be an ugly battle," he said.

Bob Hilske, general manager of the Nemaha NRD, said on Thursday the NRD board will consider whether to start negotiations with Pawnee City and Pawnee County to form a joint agency to oversee the lake project.

NRD directors are also scheduled to vote on a resolution by Director Tom White of Falls City to stop all work on the lake project. "We can't afford this," White said.

Reed predicts that people eventually will realize the benefits, saying: "You won't be able to find a person 10 years from now who will say, 'I was against the project.'"

Nelson wants flood plain answers from agencies

3-6-06

By Jennifer Greff WORLD-HERALD STAFF WRITER

"Is my house in a flood plain, and do I need to purchase flood insurance?"

It's a common question U.S. Sen. Ben Nelson hears from his constituents. For answers, the Nebraska Democrat met Sunday with officials from the Papio-Missouri River Natural Resources District.

More than 100 parcels of land near Papio Creek in the metro area were misidentified by the Federal Emergency Management Agency in December during flood plain remapping. Last month, the agency corrected the errors.

But Nelson said his office still gets calls from confused residents.

The worst thing, he said, would be to have someone unaware they're in a flood zone and not have flood insurance, and then experience a flood.

The second-worst scenario would be someone purchasing flood insurance, which has skyrocketed in price since Hurri-

Check for yourself

For Information about Omaha-area flood plain maps, call the Papio-Missouri River Natural Resources District at 444-6222.

cane Katrina, and not need it, he said.

In this case, people were in both categories. "I want to make sure FEMA doesn't have a so-what attitude about it. It's urgent," Nelson said.

Engineers with the Papio NRD have been remapping streams along the west branch of Papio Creek using the most up-to-date technology, creating an all-digital map that is more accurate but slightly different than previous maps, engineer Paul Woodward said. That map will be certified by FEMA early next year, he said.

The agency now wants to remap another 140 miles of streams in the Big and Little Papillion Creek Watersheds — at an estimated cost of \$1.9 million.

Cherokee, lowa, floats lake idea

SIOUX CITY, Iowa (AP) — A man who worked for years in Cherokee, Iowa, retired. Seven days later, he moved to a retirement home in Utah.

Gone is the money he would have spent on food, clothing and shelter in Cherokee. Gone also are the visits from his children and the money they would have spent in an area that needs exposure and economic help.

"We're losing population at both ends," said Terry Graybill, who related the story about a former neighbor. Graybill was elected to the Cherokee County Board on the platform: We need a lake.

To that end, Cherokee County officials have enlisted the Natural Resources and Conservation Service to complete a watershed study. The service will report on county sites where the watershed would make an artificial lake viable.

"We have areas here with bad water supplies," Graybill said. A lake could address the shortfall while providing a recreational outlet.

"Recreation is a benefit ... but that's not the reason we're building a lake," said Dick Elliott of the Gooseberry Lake Agency in Ringgold County. "If recreation is the reason they'll build, they'll face an uphill battle."

Ringgold County officials have joined leaders in Taylor and Clarke Counties in a rural water alliance.

The watershed project in southwest Iowa has received more than \$1 million in Vision Iowa funding and has acquired about 300 of the 2,500 acres needed for a 565-acre lake.

The project will take years to develop. It also will take willing landowners and a public vote to fund it. Mark Buschkamp, executive director of the Cherokee Area Economic Development Corp, estimated that it could cost as inuch as \$15 million.

Snowmelt runoff forecast is 'cautiously optimistic'

North Platte

River

irrigators may

get full water

allocations.

By DAVID HENDEE

WORLD-HERALD STAFF WRITER

3-7-06 Western Nebraska farmers who irrigate crops with water from the North Platte River will probably receive a full allocation of water this summer for the first time since 2001.

North Platte River basin in Wyoming this spring and summer from the Rocky Mountains is expected to be 117 percent of

the 30-year average, the Central Nebraska Public Power and Irrigation District board was told Monday.

The projection is good news for irrigators on several thousand farms in eastern Wyoming and the Nebraska Panhandle.

"We're telling users to be cautiously optimistic," said Dennis Strauch, general manager of Pathfinder Irrigation District in Mitchell, Neb.

"We've got more snowpack

now than we've seen for several years. But March and April snowpack have fallen apart on us in recent years, and we ended up with less runoff than we expected.'

Nebraska farmers who draw water from canals in the Pathfinder district received about 11 inches of water per acre in 2002-04. They Snowmelt runoff into the received about 14 inches last

year. A full allocation is 20 to 21 inches of wa-

Pathfinder is the largest of 13 surface-water irrigation districts in the

two-state region. It supplies water to about 100,000 acres on 865 farms.

Jeremie Kerkman, Central's civil engineering manager, relayed the U.S. Bureau of Reclamation's March snowmelt runoff projection to the district's directors meeting Monday in Holdrege, Neb.

Central relies on North Platte flows to fill Lake McConaughy, its primary irrigation reservoir and Ne-See Snow: Page 2

Snow:

Outlook is good

Continued from Page 1 braska's largest lake.

McConaughy continues to slowly rebound after falling to historic low levels during a prolonged drought in the West. The reservoir was at 37.1 percent capacity Monday, compared with 32.4 percent a year ago.

The Bureau of Reclamation forecasts that the April through July runoff in the North Platte basin above Glendo Reservoir in eastern Wyoming is expected to be 1.04 million acre-feet. That is down from last month's projection of 1.15 million acre-feet, which would have been 130 percent of normal.

Although the forecast is above-average snowpack, it could dramatically change.

We still have 60 critical days for snowpack accumulation ahead of us," Strauch said.

Amphitheater needs partnership to reach its goal

It's the story behind the story.

When dignitaries and city officials gathered last Wednesday to break ground on Papillion's downtown revitalization project, two entities partnering together became the embodiment of the community spirit to which we all should ascribe.

The Papillion Community Foundation, which is best known for Olde German Christmas, Papillion Days, the entrance signs along 84th Street and improvements to City Park, stepped up to the plate by donating \$60,000 to the first phase of the redevelopment project. (For more on the revitalization work, please see the story on the front page of this week's Papillion Times.)

The Foundation isn't loaded with money - it does what it can for the community with the resources at its disposal - so that donation represented a significant investment in the future of the city.

Moreover, in a culture of selfishness the Foundation's sacrifice and investment is a crucial example more people should follow civic involvement means more than attending meetings and saying you're involved.

Put your money where your mouth is and pledge a portion of your resources - whether business or personal - toward a community cause, something many people, not just yourself, will benefit from

Boy have we got a deal for you.
In addition to the downtown

TIMES EDITORIAL

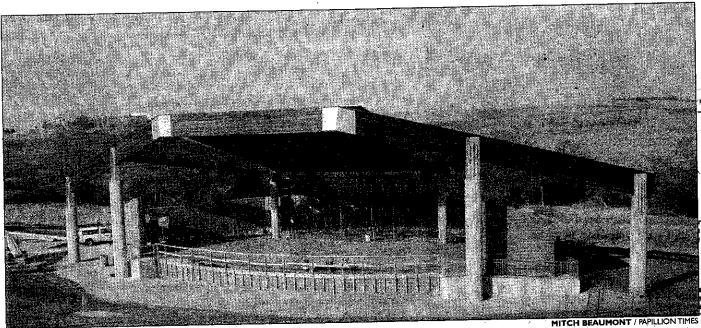
redevelopment project, a perfect example is under construction as we speak.

For years Ken Molzer has had the vision for a community hub for the arts. His original plan had an amphitheater being built in Halleck Park, but when it was announced Walnut Creek Lake would be built west of Papillion, he knew immediately that was the future home of his dream.

Mozler has worked tirelessly to raise enough money to build the 300-seat amphitheater with all the amenities. At its ground-breaking last year, the project received some welcome financial boosts from area developers who pledged their support.

The Papillion Area amphitheater project needs only \$150,000 to reach its fund-raising goal. Many local organizations have contributed to this crucial community project, but it needs just a little bit more. Whether you're a patron of the arts or a member of the local athletic booster club, generations to come will benefit from the amphitheater.

Just as the Papillion Community Foundation stepped up last week to contribute to the downtown revitalization project, the Papillion community needs to dig into its collective pockets and fork over the cash necessary to make the amphitheater project a reality.



Construction on the amphitheater is progressing, but funds are still short. Only \$150,000 is needed to meet the fund-raising goal of \$1.5 million.

Imphitheater approaching goa 3-10-06

By Mitch Beaumont

Times Managing Editor

Only \$150,000 stands between Papillion and some awesome entertainment this summer.

The Papillion Area Amphitheater project, which is still under construction just south of Papillion-La Vista South High School on 108th Street, is that close to raising the money it needs.

"We're so very, very close to that initial goal," said Ken Molzer, the project coordinator. "We are still in need of funds to get the whole process completed."

He can see the light at the end of the tunnel. In order to receive a \$200,000 challenge grant from the Kiewit Foundation, Mozler needs to raise \$150,000 more. Initially the challenge grant carried a March deadline for having the money raised. That date is looming, and while he said last week an extension is possible, it would be incred-

'We're so very, very close to that initial goal. We are still in need of funds to get the whole process completed.

Ken Molzer

Amphitheater project coordinator

ible to not need the extra time.

'We're really in need of someone to step up and help us meet this goal and get this completed this summer so we can have an opening this summer or fall," he said.

The project has encountered some cost escalations along the way, Molzer said, which on bigger scale projects wouldn't have as big of an impact, "when you're working on a shoestring and donated money, every nickel and dime counts," he said.

"We're looking at every nickel and

dime and we want to make the most for . every dollar given. We owe that to the people who have given their donations, to see it is a useable facility."

Construction crews are constructing. the roof over the stage and after that will move on to the backhouse area, which will have dressing rooms, restrooms and storage space. After that the concessions and seating areas will be constructed.

To make a donation or for more information about the amphitheater project, contact Molzer at 305-4627.

Nabity calls water policies unfair By BILL HORD

WORLD-HERALD BUREAU

LINCOLN — Dave Nabity, a Republican candidate for governor, said Thursday that irrigators are unfairly bearing the brunt of Nebraska water problems to the detriment of rural economies.

"At this time, all of Nebraska is in jeopardy because of poor water policy," Nabity said at a State Capitol press conference.

Current leaders, he said, are too willing to reduce water allocations to the point of destroying large portions of the agricultural economy. Natural resources districts have imposed well-drilling restrictions and water allocations.

He said transfer of water from areas of surplus, including piping from aquifers, could help solve water shortage problems in other areas.

If elected, Nabity said, he would try to get the federal government to pay for water needed to bring Nebraska into compliance with a multistate compact that requires more water to flow from the Republican River into Kansas.

Federal conservation programs, such as terracing of farmland, have retained more water in the soil and reduced the Republican River flow, Nabity said.

For that reason, he said, the federal government should have been part of the negotiations when determining who should pay for water shortages. Nabity said he would ask that the federal government pay part of any fines that are assessed.

Nabity is running in the May 9 primary against Gov. Dave Heineman and U.S. Rep. Tom Osborne.

Heineman discounted Nabity's comments as "irresponsible, inappropriate and ill-informed." Said Osborne, "I don't understand where this is all coming from,"

Heineman said he was shocked that Nabity criticized a deal in the works to buy water rights from irrigators in the Bostwick Irrigation District and send the water to Kansas to help avoid a lawsuit.

"It has the support of the Attorney General's Office, the local natural resources districts, our Department of Natural Resources and, ultimately, we hope, a vote of the people in the irrigation district," Heineman

This report includes material from the Associated Press.

More Republican basin talks planned

By David Hendee

world-herald staff writer
3-10-06
Nebraska water managers are

Nebraska water managers are launching a new round of talks seeking solutions to problems in the Republican River basin.

"Nothing is off the table at this point," said Ann Bleed, acting director of the Nebraska Department of Natural Resources.

Gov. Dave Heineman asked Bleed to organize meetings with representatives of the four natural resources districts in the Republican basin of southwestern and south-central Nebraska. The goal is to find options for managing drought-stressed water resources, both underground and in streams and reservoirs.

Nebraska faces immediate problems in the Republican basin.

Nebraska irrigators and oth-

ers in the region used more water in 2003 and 2004 than was allowed under an interstate compact and probably did so last year as well, state officials say. Nebraska gets 49 percent of the water supply in the basin, Kansas 40 percent and Colorado 11 percent.

Kansas sued Nebraska eight years ago after unsuccessful attempts to persuade the state to bring groundwater pumping under control. A settlement in 2002 brought groundwater under the compact, to the extent that it depletes Republican surface flows.

"Nebraska made a commitment, and so it is critical that we work together to fulfill our compact obligations," Heineman said.

State officials are working to develop an arrangement that would provide a one-time payment to irrigation districts to lease water during this summer's irrigation season.

That would allow the state to send Kansas water controlled by the Nebraska Bostwick Irrigation District at Red Cloud, the Riverside Irrigation Co. and the Frenchman Valley Irrigation District, both at Culbertson.

Directors of the Riverside District have agreed to sign a tentative agreement, on the assumption that state funds will be available. The Bostwick District is expected to announce a decision next week on whether it will agree to the proposal.

Negotiations remain under way with Frenchman Valley.

The Legislature's Appropriations Committee has recommended that \$2.7 million be allocated in the state budget to pay for leasing the water this year.

Lake idea suffers blow with NRD vote

By Paul Hammel

WORLD-HERALD STAFF WRITER

TECUMSEH, Neb. — Another big lake proposal in eastern Nebraska took a torpedo in the side Thursday night.

Moments after voting in favor of pursuing formation of an interagency group to oversee development of a 3,500-acre recreation lake near Pawnee City, the Nemaha Natural Resources District board made an abrupt about-face, voting 11-9 to end the district's participation in the Lake Nigreple project

Lake Neiamoka project.
Supporters of the project expressed frustration and confusion about the seemingly conflicting votes. Some questioned whether some NRD board members were confused about the meaning of the second, anti-lake

Two board members, John Albrecht and Don Siske, voted in favor of both the pro-lake motion and the anti-lake motion. They provided the swing votes but didn't comment at the meeting about their votes.

A third board member, Scott Kudrna, abstained on the motion to halt NRD participation — his wife owns land in the proposed dam site.

"It's too good a project to let it die," said Auburn Mayor Bob Engles. "Southeast Nebraska needs something like this to sustain itself."

Project opponents, including several landowners that would be affected by the proposed lake, said the NRD vote may be only a temporary victory over a project that has been discussed for the past 10 years.

"It's not over until it's over," said NRD board member Chuck Starr of Bennet, who opposed the NRD's participation in the lake. "In my opinion, we'll see this again."

It was the second big blow against a big reservoir project See Lake: Page 2

Lake: Opponents say victory may be temporary

Continued from Page 1 in eastern Nebraska in just over a month. A legislative committee in early February killed a proposal to study development of a much larger reservoir on the Platte River near Ashland.

The reservoir near Pawnee City has been discussed for the past decade. But it got new life 15 mouths ago when a former Omaha Central football coach, William Reed, said he could assemble private investors to acquire land and build the lake, estimated to cost at least

\$60 million to \$80 million.

On Thursday night, Reed and representatives of several small towns in southeast Nebraska spoke in favor of Lake Neiamoka. They said the lake would provide jobs to keep people from moving away and would provide sorely needed water for drinking and Ior livestock.

One pro-lake resolution did pass, 12-9, to allow NRD representatives to begin negotiations on an interlocal agreement with Pawnee County and the City of Pawnee City to oversee development of the lake.

Steve Sherrow of Nebraska City, the head of the NRD's lake advisory board, said the negotiations would determine whether those two local agencies really supported the lake idea and would be the next logical step to determine whether planning should continue.

But after that resolution passed, discussion began on a proposal to end the NRD's participation, proposed by board member Tom White of Falls City. White has said that the NRD cannot afford to participate in such a large project, which could create a lake twice the size of the popular Branched Oak Reservoir near Lincoln, and which would include a public campground, two golf courses and 3,000 lots for luxury homes.

Starr and fellow board member Jeff Crunk led the criticism of the project, questioning the economic boost it would provide and whether eminent domain should be used for a recreation project.



Landowner Steve Vencil said a sewage treatment plant that originally was proposed to serve two housing developments in western Douglas County would hurt the Elkhorn River.

The developer prefers to hook into Omaha's sewer system, but the city's pipes don't reach that far west.

A stretch for Omaha's sewer system

With a deal to serve two subdivisions near the Elkhorn River in the works, plans for a treatment plant die. By Rick Ruggles
WORLD-HERALDSTAFF WRITER

Q Street near the Elkhorn River is surrounded by farms and woods and is rural enough to be quaintly called "West Q

Road."

But that will rapidly change. Two subdivisions are expected to be built near 240th and Q Streets, and others will follow.

Plans for the Southamptons and Hamptons, which will contain some million-dollar houses, have raised questions in local government about leapfrog development, where houses sprout on the countryside well beyond the city's fringe.

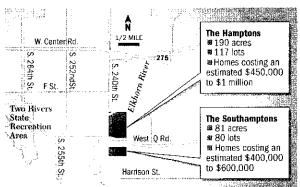
The two subdivisions also have caught the attention of neighboring property owners because the developer, Boyer Young Development, initially planned to serve the subdivi-

sions with a wastewater treatment plant. The proposed plant would discharge into the Elkhorn River.

"In a nutshell, I don't want to see sewage dumped into the Elkhorn River," said Steve Vencil, who owns property on the river's west side.

Vencil and others say the Elkhorn River is so shallow in the summer that even treated sewage would hurt the water quality. The Papio-Missouri River Natural Resources District agrees and says a treatment plant on that site would hurt its effort to promote recreational use of the river.

Boyer Young Development now intends to reach an agreement to tie into the City of Omaha sewer system, thus scrapping the developer's need for a \$1 million treatment plant.



MATT HANEY/THE WORLD HERALD

At the developer's request, the Douglas County Planning Commission Wednesday night approved a preliminary plan for the Southamptons contingent on the developer reaching an agreement to hook into the city's sewer system.

The Hamptons subdivision was approved last year by Douglas County government See Housing: Page 2

Housing: Treatment-plant proposal draws protests

Continued from Page 1

with the understanding that it would be served by its own wastewater treatment plant. Then last September, Boyer Young proposed the Southamptons, which was to be served by the same treatment plant.

At that point, the County Planning Commission, concerned among other things about how big the treatment plant might become, asked the developer to go back to the city to see if tapping into the Omaha line was an option.

Five property owners Wednesday night expressed their contempt for the treatment plant option. Bob Doyle, the developer's attorney, ultimately removed that alternative for both subdivisions.

The city has been reluctant to

connect with sewer lines extending so far west. The city's pipes now reach about 210th Street on the Q Street corridor, said Marty Grate, the city's environmental services manager. He said the city prefers that growth goes out from the city's

Mark Boyer of the development company said the Hamptons and Southamptons hardly qualify as leapfrogging. Situated about three miles from the city's fringe, the developments are only a few minutes from Omaha supermarkets, restaurants and other amenities, and are in an attractive area ripe for development, he said.

City Planning Director Steve Jensen said the city also does not like to connect its sewer system with areas on the other side of the ridge near 210th Street. Sewage would have to be pumped over that ridge to push it into Omaha's Papillion Creek drainage system, where gravity carries it to a city treatment plant south of Offutt Air Force Base

But the city now expects to let the developer extend sewer lines to connect with the city's, in part because the county's new long-range plan indicates that the area in question will have enough development to justify it, Jensen said.

He said this week that the city's approval is contingent on the sewer system's capacity, an agreement on who pays what and other factors.

Mark Westergard, an engineer with the development firm's engineering consultant, E&A Consulting Group, said building a treatment plant would cost about the same as building a pump station and the lines to connect to Omaha's sewer system.

The developer wants to resolve the matter soon. Doyle, the developer's attorney, said the county has put a hold on building permits in the Hamptons until the question is answered. Several houses are under construction.

The Southamptons project is still going through the county's approval process.

Boyer said public demand will influence where subdivisions go. That being said, Boyer Young does not want to build a treatment plant, Boyer said.

"We would much rather hook up with the city."

Omaha planning official will stick around

3-15-06

By Joseph Morton

WORLD-HERALD STAFF WRITER

Steve Jensen was named Omaha planning director Tuesday and charged with rebuilding a department hampered by retirements and budget constraints.

Jensen, 53, has been the interim director since Bob Peters retired from the job last summer.

Omaha Mayor Mike Fahey said Jensen will bring a wealth of experience to the city's important planning objectives, which include the merger of city and county governments, the annexation of Elkhorn and the implementation of new city-

wide design concepts.

The city plans to restore sections of the planning department focused on urban design and neighborhood planning, Jensen said, as well as dedicate additional staff to economic development projects.

The planning department's operating budget for 2006 is \$7.2 million.

Fahey plans to increase that budget slightly, though he does not know exactly how much yet, through a new fee charged to developers who get tax incentives. The size of the new fee has yet to be determined, he said.

said.

Fahey also anticipates increased revenues from existing

fees.

Jensen, who will now make \$120,000, has been with the planning department for 31 years. He had planned to retire once a permanent replacement was found.

Fahey formed a search committee to find Peters' replacement, but the group was not satisfied with the applicants.

Jensen said he has changed his mind about retiring. He said the city has a lot of fun projects on the horizon, including the possibility of a new ballpark and streetcar system.

"It's an exciting time for the city," Jensen said.

Fahey also announced Tuesday the formation of a "neighborhood Cabinet" consisting of the chief of police and the directors of three departments planning, public works and parks, recreation and public property. That group will meet regularly to address neighborhood concerns, Fahey said.

In particular, the group will focus on Omaha By Design and efforts to improve the city's appearance through design standards, Fahey said. He said it's important that the city's top officials all work together.

"We've invested a great deal of resources in this commitment to Omaha By Design," Fahey said. "It's incumbent upon the administration now to execute that plan."

Irrigators' vote sends water and message to Kansas

By David Hendee

WORLD-HERALD STAFF WRITER

A historic vote by a group of south-central Nebraska irrigators will send more than water to Kansas this summer — it will send a signal that Nebraska is serious about meeting its legal obligation, state officials said Wednesday.

"It is a very significant step forward," said Gov. Dave Heineman.

Members of the Nebraska Bostwick Irrigation District voted Wednesday in Red Cloud to give up their 2006 water allotment from the Republican River for a total of about \$2.5 million. The vote marked the first time the state has purchased water from an irrigation district.

The State of Nebraska will pay Bostwick landowners about

\$71 for each inch of water that would have irrigated their 23,000 acres of cropland. That amounts to \$106.50 per acre, given the amount of water the irrigators expected this year from the drought-stricken river and Harlan County Lake.

The state will use the Bostwick water to boost flows in the Republican downstream to Kansas. A 1943 compact allocated 49 percent of the annual water supply in the Republican basin to Nebraska. Kansas was allocated 40 percent and Colorado 11 percent. But Nebraska has been using more than its share.

Nebraska Attorney General Jon Bruning said the new deal will help prevent potential litigation with Kansas and avoid a possible multimillion-dollar penalty for violating the water-use agreement.

The state has estimated that Nebraska used 42,000 acre-feet more Republican River water than it was allowed last year. In 2003 and 2004 combined, Nebraska used 62,000 acre-feet more than its allocation.

The Bostwick deal includes about 10,100 acre-feet — enough water to cover 10,100 acres of land with a foot of water — in Harlan County Lake and about 5,000 acre-feet from the river below the reservoir.

The vote was 172-14 to lease the water, subject to state law-makers approving a new budget.

Mike Delka, manager of the irrigation district, said the state's one-time payment is not a windfall to the irrigators. "They're not going to be running

to the bank with a lot of money in their pockets," he said.

The last time the district got any water from the lake and river was in 2003, when members got 6.2 inches per acre.

The state is involved in similar talks with the Riverside Irrigation Co. and the Frenchman Valley Irrigation District, both of Culbertson. The Middle Republican Natural Resources District voted earlier this week to set aside \$50,000 to help buy water from those two irrigation districts and send it down the river.

"We all hope that Mother Nature will help us out," Heineman said. "This drought has gone on long enough."

World-Herald staff writer Martha Stoddard contributed to this report.

Channel improvements to double Papio's flood capacity By Mitch Beaumont

Times Managing Editor

By 2007 two miles of the Papio Creek from 86th Street to 108th Street will be less likely to leave its banks in a heavy rainstorm.

At twice the width and double the capacity, channel improvements underway by the Papio-Missouri River Natural Resources District will make the area less prone to flash flooding, said Martin Cleveland, a construction engineer for the NRD.

clude next year, are similar to work that was performed several years ago between 72nd and 86th streets through the heart of Papillion, he said.

"That's being extended to 108th

and Giles," he said. "The theory is that as you develop those areas you can build the buildings higher, which is more cost effective."

A unique agreement between the NRD and developer Don Bellino has resulted in a combination of crews working on the improvements, Cleveland said. NRD crews are working on about half of the project while crews hired by Bellino are compléting the other half.

"The agreement was that he would get free dirt for doing the excavation The channel improvements, of the channel," he said. "It benefits which began last year and will con- the taxpayers because we're not paying someone to do that work."

Cleveland said Bellino will be using the dirt for a piece of property he's developing along 96th Street between Cornhusker Road and the creek.

Boom along I-80 corridor unlikely, urban planner says

By C. David Kotok
WORLD-HERALD STAFF WRITER

MAHONEY STATE PARK — Omaha and Lincoln will remain separate and distinct, said a leading urban planner who questioned several assumptions about the Interstate 80 corridor during a Saturday retreat.

Alexander Garvin spent two days on land and in the air examining the corridor between Omaha and Lincoln before meeting with members of the Nebraska Innovation Zone Commission.

The Yale University professor and New York consultant told commission members that he sees no evidence that the state's largest cities will grow into one community.

Garvin rejected the idea pushed by some business and political leaders that Omaha and Lincoln are becoming a single urban area similar to Minneapolis-St. Paul or Dallas-Fort Worth.

Each town along the corridor — Gretna, Ashland, Greenwood and Waverly — also will retain its individual character, Garvin said.

The commission was established by the Legislature last year on the assumption that the corridor should be ready for a major economic boom generated by Omaha and Lincoln.

The corridor does have great value and needs a plan to capitalize on its assets, Garvin said, including historic and quaint downtowns, rising grain elevators, the Platte River and a bike trail to be completed in 2008.

"The corridor has to become something special," Garvin said.

But that doesn't mean building a giant eastern Nebraska lake, as proposed earlier this year, Garvin said in an interview.

He challenged the idea that a large lake development would generate economic growth.

Garvin also disagreed with urban social theorist Richard Florida, who has said Omaha should try to attract a "creative class" to compete economically.

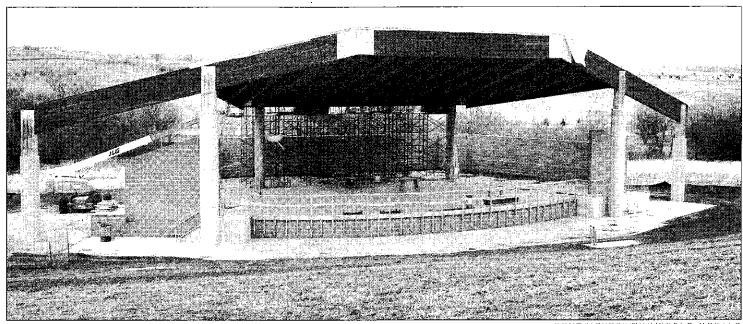
"You have the Platte River here," Garvin said. "That's a great asset. You can walk in the woods. They can't do that in San Francisco." Garvin, who helped lead the redevelopment of the World Trade Center, characterized himself as flexible more than a dreamer. "If it can't happen, I won't talk about it," he said.

Lincoln City Councilman Ken Svoboda, the commission chairman, said he was not disappointed in Garvin's minimalist approach to the I-80 corridor.

"This is more of a statewide issue of how we develop eastern Nebraska," said Svoboda. All communities need to become partners in the effort, he said.

If the commission develops a cohesive approach, Svoboda said, it can be used in other parts of the state.

There already is interest in a similar commission to coordinate I-80 development between Grand Island and Kearney, he said



KENT STEVERS/THE WORLD-HERALD

The amphitheater at Walnut Creek Lake Recreation Center near 108th Street and Highway 370 is closer to being a reality. So far, \$1.1 million has been raised. The amphitheater will host a variety of events, from symphony concerts to youth activities. The project is spearheaded by Ken Molzer, former Papillion Junior High band director.

Amphitheater's backers look for \$200,000

By Abe Winter WORLD-HERALD STAFF WRITER

Ken Molzer would like to see a huge check fall into his lap.

"If \$200,000 dropped out of the sky, I'd be very happy," said Molzer, project director for an amphitheater being built at Walnut Creek Lake Recreation Area.

"We're continuing to build, and we have enough to cover the first phase," Molzer said. "But we need another boost from donors to complete the next phase."

Construction on the amphithe-

ater at Walnut Creek Lake, near 108th Street and Nebraska Highway 370, was started last May. When completed, Molzer envisions a variety of events, such as symphony concerts, theater productions and youth activities, being held there.

If it all comes together, the first presentations at the amphitheater could be held this fall, he said.

So far, the Papillion Area Concert Band, the nonprofit group leading the fundraising, has collected \$1.1 million in donations. That has allowed construction of parking lots, the stage and back wall, and the roof.

The next \$200,000 raised will allow for construction of the back house, which will contain dressing rooms, performers' restrooms and scenery storage. Construction would start on that phase as soon as the weather warms up again.

More important, raising another \$200,000 would qualify the project for a \$200,000 grant from the Peter Kiewit Foundation. The grant was contingent on supporters raising \$1.3 million of the \$1.5 million project.

"We're in another fundraising push right now," said Molzer, the former director of the band at Papillion Junior High. More money is needed to complete other planned phases of the project: the concession plaza, which also includes public restrooms, and fixed seating for 600.

"I'm in the process of writing some more donation letters and applying for grants. The support has waned recently, so we need some more interest," Molzer said.

For more information or to make a donation, contact Molzer at 331-6684 or send a check to the Papillion Area Concert Band, Walnut Creek Amphitheater Project, P.O. Box 460963, Papillion, NE 68046.

Beutler: Deal allows 'double-dipping' by irrigators

By David Hendee WORLD-HERALD STAFF WRITER

State Sen. Chris Beutler, a critic of state initiatives to bail out farmers in areas with declining water supplies, questions whether Nebraska has taken a step backward in agreeing to pay irrigators \$2.5 million.

Beutler, of Lincoln, noted that Bostwick Irrigation District landowners in south-central Nebraska would be paid for their surface water in the Republican River and then be allowed to irrigate with underground water, creating a bigger problem for the state in balancing its water ledger with Kansas.

"Dave, say it ain't so," Beutler wrote to David Cookson, special counsel to Nebraska Attorney General Jon Bruning. "If we're paying people not to irrigate, they shouldn't irrigate," Beutler said Wednesday after delivering a letter asking Cookson for clarification.

Cookson said a one-time deal signed last week doesn't change the 11-inch-per-acre limit on irrigation water granted to Bostwick farmers in the Lower Republican Natural Resources District. The irrigators pump groundwater if needed to supplement meager or nonexistent reserves in Harlan County Lake near Alma.

"If the state didn't buy the water, the irrigation district was going to keep it in the reservoir," Cookson said.

The Bostwick district's share of water in Harlan County Lake would amount to only an estimated 1.5 inches per acre if delivered to crop-

land this summer. Under that scenario, district landowners who have irrigation wells could pump 9.5 inches to fill out their allocation, if needed to supplement rainfall.

Beutler said the state's agreement should have prevented irrigators from using their groundwater allocation to make up for their lost surface water.

"There should be a provision that precluded them from double-dipping," he said.

About 13,000 acres of the 23,000 acres of land in the Bostwick district can be irrigated with groundwater.

"Thus, in accordance with the agreement, the Nebraska taxpayer will pay the Bostwick irrigators \$2.5 million to alleviate the water shortages to Kansas, and the Bostwick irrigators can turn around and create a bigger problem by irrigating 13,000 acres solely with groundwater," Beutler wrote.

Cookson said Nebraska is buying the water at a fair market price because it is close to Kansas and it gives Nebraska an immediate boost in its efforts to meet its legal obligation.

A 1943 compact allocated 49 percent of the Republican basin's annual water supply to Nebraska, 40 percent to Kansas and 11 percent to Colorado. Nebraska has been using more than its share.

Beutler said his main concern is that natural resources districts and irrigators be held responsible for using too much water.

"If they misuse it — can't keep their system in balance — they pay Kansas," he said.

NRD chief's job is in jeopardy

■ The board will meet tonight to discuss Steve Oltmans' future and his affair. 3-23-06

By Nancy Gaarder world-herald staff writer

The general manager of the Papio-Missouri River NRD hopes to save his job tonight when he acknowledges to his board an affair he had previously denied.

The board will meet in executive session at NRD headquarters to discuss Steve Oltmans' future and the affair he had with former board member Barb Nichols

"I think there is a way this can be worked out," Oltmans said Wednesday, after informing his staff of the affair and the conflicting information he had given some board members.

Board Chairman Rich Jansen was less optimistic.

"In my own opinion," Jansen said, "I don't think there are enough votes to save him."

Jansen said he asked Oltmans to consider resigning or retiring. Board members say they re not sure what will happen tonight. The options include firing Oltmans, retaining him, suspending him or deciding on some other reprimand.

Both Oltmans and the board have hired their own legal counsel. Board attorney Paul Peters, who has had a long working relationship with Oltmans and the board, recused himself.

In the statement to his staff, Oltmans admitted that he initially misled some board members before telling them the truth. He said that tonight he will tell the full board of the affair.

"Mrs. Oltmans and my children know of this now. I have told them in the past few days. You can only imagine how grateful I am for their support in this failing of my own," he said in the statement.

Oltmans' wife of 43 years, Barb, will accompany him to tonight's meeting, he said.

Oltmans, who is paid \$105,000, has been instrumental in developing the Omaha metro area's trails network, parks and flood-control projects.

Board members have said Oltmans jeopardized his credibility
See NRD: Page 2

NRD: Board chairman unsure Oltmans can save job

Continued from Page 1 with the board by misleading them about the affair.

They have other concerns, too: whether Oltmans used the affair to influence Nichols' vote while she was on the board and whether he inappropriately spent Natural Resources District money on her when she accompanied him on business.

Some board members also are upset about a photo that shows

Oltmans helping Nichols assemble a campaign sign in her unsuccessful bid for re-election two years ago. They want to know if that violates any state laws regarding the involvement of public officials in elections.

Nichols and Oltmans have been seeing each other for years, including her time on the board from 2001 until 2005.Oltmans is 62; Nichols is 54. Jansen said board members decided to raise the issue with Oltmans in January after receiving complaints from staff that he was becoming short-tempered. The relationship with Nichols, staff members suspected, might be the reason.

It was at that meeting that Oltmans denied the affair, Jansen said. In a subsequent meeting with some board members, Oltmans admitted to the affair. Board member John Schwope said the issue is difficult. The affair, he said, was Oltmans' personal business, but now the board is left wondering if it can trust its general manager.

"It is our obligation and responsibility as an elected board to look into any allegations," Schwope said. "We owe it to the general public and the taxpayers."

Ultmans suspended as board investigates

board meeting, Steve Oltmans, Papio-Missouri Resources Diswife, Barb, at River Natural trict, and his general man Thursday's ager of the



LAURA INNS/THE WORLD-HERALD

WORLD-HERALD STAFF WRITER 3-24-06 By Nancy Gaarder

sources District, got perhaps the best Steve Oltmans, general manager of the Papio-Missouri River Natural Renews he could have hoped for Thursday.

stances surrounding his longtime affair with pay while it investigates circumwith a former board member. The district's board suspended him

do. The board owes it to the district and the public to find out what the facts are." gation," said David Domina, attorney for Oltmans. "It's the intelligent thing to "They obviously have to do an investi-

said that she and Oltmans had been see-Former board member Barb Nichols

> was on the board, from 2001 through ing each other since the late 1990s and that the relationship continued while she

tionship, has since acknowledged it. Oltmans, who initially denied the rela-

The district plays a key role in parks and trail development as well as flood control projects.

said Oltmans did sway her vote on one who was not at Thursday's meeting, has ine along the Keystone Țrail. issue, a proposed high voltage power his influence in board matters, Nichols, While she remained independent of

cluding joining him for a business trip in nied him on numerous NRD outings, in-Furthermore, she said she accompa-See Oltmans: Page 2

Oltmans: Manager suspended during investigation

Continued from Page 1 Minnesota.

gation would cover. declined to say what the investi-Board chairman Rich Jansen

when confronted about the af-Oltmans initially misled them they are deeply troubled that Board members have said

ence he might have held over Nichols' votes and whether he to know more about any influboard members, too. Some want inappropriately spent district Other questions concern

money on her.

ent help he gave Nichols in her Nichols provided to the board, failed bid for re-election two her campaign signs. years ago. In one picture that Oltmans is assembling one of Another concern is the appar-

Millard Principal Rick Kolow-Nichols lost that election to

sion for about an hour with Oltmously approved two motions: without him, the board unanimans and more than an hour After meeting in a closed ses-

duct and another to suspend him with pay during the investione to investigate Oltmans' con-

McGrath, North, Mullin & Kratz, will conduct the investigation. ther from the state auditor or thority to request an audit, eigation. It has been given the auanother competent entity. The board's legal counsel,

said he expects the investigation to take less than a month. Board member Rich Tesar

without commenting. Oltmans left the meeting

> meeting by his wife of 43 years, He was accompanied to the

she was there "for support. The whole family supports him." to begin, she said simply that While waiting for the meeting

and Washington Counties. about 10 people who are fightseveral district employees and ing a plan by Oltmans to build large dams in northern Douglas Others in attendance included

for 20 years and is paid about Oltmans has run the district OMAHA DAILY HERALD FOUNDED 1865 OMAHA DAILY WORLD FOUNDED BY GILBERT M. HITCHCOCK 1885 OMAHA WORLD HERALD FIRST PUBLISHED JULY 15, 1889

Omaha World-Herald

JOHN GOTTSCHALK, Publisher

LARRY KING, Executive Editor GEITNER SIMMONS, Editorial Page Editor

The Oltmans matter

ant to consider the human failings of a respected government administrator. Sometimes, however, it is a neces-

sity.

The suspension of Steve Oltmans, general manager of the Papio-Missouri River Natural Resources District, was the proper action for the agency's board of directors to take. Board members will have a better idea what should be done after the accusations against him have been investigated.

Oltmans is said to have lied initially to board members about a long-term affair with a woman before, during and after she became a board member with the NRD. Barb Nichols served one term, from 2001 until 2005.

The district deals with matters including flood control, recreation and natural resources management in the area from Dakota County to the Platte River, roughly between most of those counties' western boundaries and the Missouri River.

The key point is this: Did the relationship between Oltmans and Nichols affect the public interest, and if so, how seriously? Crucial questions need to be answered.

Perhaps the most significant: To what extent did Nichols' and Oltmans' actions undercut the operations or the operations or the operations or Nichols (while she was a board member) hamper its function and its ability to carry out its duties? Did their actions undermine its credibility?

The standard against which Oltmans will be judged is whether his actions reached the level of "unprofessional conduct which interferes substantially with the continued performance of the duties of general manager."

In Nichols' case, voters will decide this fall whether her actions are serious enough to defeat her candidacy in November for the District 4 seat on the NRD board.

The board's legal counsel, McGrath, North, Mullin & Kratz, will investigate the situation. An audit of Oltmans' expense records will be done by the office of State Auditor Kate Witek.

Did respected NRD manager's relationship affect agency, public interest?

Specific questions the investigation should address include these: Did either Oltmans or Nichols spend NRD money inappropriate-

ly in conducting their affair? Oltmans, of course, would have had much greater opportunity to do so because of his position as general manager.

What influence did Oltmans have over Nichols' votes while she was on the board? Nichols has said he swayed only one vote — whether to permit a power line to be extended down the Keystone Trail. Her vote swung the board in favor; the issue evaporated when OPPD decided to put the line on 72nd Street. This matter deserves particular scrutiny, not least since the issue was such a controversial one.

Whether Oltmans' influence over Nichols was greater because of their intimate relationship — as opposed to, say, a long-term friendship between a board member and a neighbor lobbying for a board action — is something the board must decide.

Did Oltmans inappropriately — or perhaps unethically — help incumbent Nichols' ultimately unsuccessful candidacy in 2005? Board members will need to learn the extent of his involvement and decide

on its propriety.

Oltmans' depth of knowledge about NRD issues is comprehensive, and his judgment on matters that affect the NRD has been sound. His ideas often have proved farsighted, not focused on the bickering of the moment. His professional reputation is excellent not only in Nebraska and the region but also nationally.

Nevertheless, in light of the disturbing situation that has come to light, Oltmans' judgment must be called into question. Board members will have to decide, after the investigation, whether any laws were violated or whether Oltmans violated his contract.

If the answer is yes, the board's duty becomes clear. If the investigation turns up only human frailty and not culpable guilt, the decision will be more difficult.



Hubbard lake to slake thirst for recreation

By Aficia Ebaugh surcul staff writer

Plans to create one of the largest recreational sites for fishing, biking and camping in the tri-state area are slowly coming to fruition in Dakota County.

Conservationists from the Papio-Missouri River Natural Resources District have been working for more than five years to establish a 200-acre lake east of Hubbard, Neb., and surround it with recreational opportunities as part of a larger flooding and erosion control project in the Pigeon/Jones Creek watershed.

Recently the NRD has started discussions with area landowners and Hubbard officials about the project, and it expects to have state approval of its pre-liminary plans within a month, said Neil Stockfleth, Dakotta County resource conservationist with the U.S. Department of Agriculture Natural Resources

Conservation Service.
This site, which Stockfleth said would be about 600 acres with the surrounding amenities, would come complete with hiking and biking trails, RV, tent and equestrian campgrounds, fishing, a sled run and a single

track mountain bike course.
"There is nothing like this for miles around," he said.

The lake would probably have a 5 mph speed limit to limit shore erosion. It will be an average of 19 feet deep, with areas that are as much as 35 feet deep.

"This depth will be very good for game fishing, especially for walleye," Stockfleth said.

In some ways, he said, it is similar to Bacon Creek Park in Sioux City, which was built as a way to prevent flooding in the Greenville and Gordon Drive areas of the city. Two smaller recent lake projects - Powder Creek near Ponca, Neb., and Buckskin Hills near Newcastle, Neb. - were also meant to provide some of the same activities.
"It provides the same benefits

of these projects will but it will be many times larger," he said.
"This will also be very accessible from Sioux City, just 15 miles on hardtop roads." This fiscal year, the "scientific

study" is the main step in the ongoing process. Data on the watershed's history of flood damage and the quality of the runoff water are being gathered and analyzed. Land acquisition for the lake project, which will affect three farmsteads in the area could begin in fiscal year 2007.

Construction would begin in 2008, ending sometime in 2010.

To provide as much public input as possible, Stockfleth and a watershed advisory committee composed of affected landowners and community leaders was established shortly leaders was established shortly after the project got under way. Also, a few public meetings have been held. However, he said he knows there are some controversial points to the recreation site.

A preliminary report on the project said an Indian burial site on record with the Nebraska State Historical Society is located at the northwest edge of the proposed lake. Raiph Puls, NRD land and water projects co-ordinator, said the NRD has gotten permission from the Winnebago tribe to explore the site before construction begins.

"We would avoid the area if at all possible if it is in fact a burial ground," Puls said. "If the site had artifacts we would look at integrating it into the project as an educational facility

Another aspect is who will control the lake and recreation facilities after they are com-pleted. At a February meeting, attendees voiced concerns that this site could end up "aban-doned" like the Powder Creek reservoir, just miles north. It was completed just a year ago by the Lewis and Clark NRD, they said, but since control was handed over to the Nebraska Game and Parks Commission the site has been neglected.

"We don't want that to happen here," Puls said. "The responsi-bility is on the NRD right now to care for the project, but we'll probably explore the possibility of Game and Parks taking it later. We would rather build the project and have a local entity care for it because that makes more sense.

The goal is to get about 65 percent of the funding for the roughly \$7 million project from the Nebraska Department of Natural Resource's Resource Development Fund. The rest will come from local government and other sources. The only way to get such a project funded is to come up with a multi-use solu-tion, including recreation, Puls

"We think this will be a big draw to Hubbard and the sur-

rounding area from as far away as Omaha," Puls said.

Besides being a boon for the area economy, this project is part of a comprehensive, multi-use solution to a list of soil conservation problems that plague the hilly-to-flat Pigeon/Iones Creek watershed, Stockfleth said.

The 32-square-mile watershed surrounds Hubbard, about 10 miles from Sioux City. Its crecks and rainfall eventually find their way into the Missouri River.

The NRD is also building a series of 18 other small dams to slow and spread the runoff so it carries less soil with it and helps decrease flooding. Twelve of these dams will be placed in farm streams, while six will replace aging bridges or other road structures in the area.

The lake will be created by a

large dam near its north end, at Dam Site 15. But conservation efforts aren't waiting for the big lake. Five dams already have been completed, and the NRD plans to build the rest in the next four years.

The whole package of measures also includes more buffer strips, terraces, sediment basins and small farm ponds, Puls said.

Oltmans' suspension won't affect dam plan

By Jim Brazda Pilot - Tvib turned over to HDR.

Reporter 3-28-06 The Washington 6 Reporter

A shakeup at the Papio-Missouri River Natural Resources District should have no affect on the HDR study concerning two proposed dam sites in Washington County.

Last week, NRD general manager Steve Oltmans was suspended with pay while the board investigates an affair he had with former board member, Barbara Nichols, including any possible sway he may have held over her voting while she was on the board. The diagram

The affair, Nichols admitted, began in the late 1990s. and continued after she was elected to the NRD board in 2000. In 2004, she lost her seat to Richard Kolowski. but has since moved and is again running for the NRD board, this time against John Conley.

But what affect will the Oltmans' affair have on two proposed dam sites in Washington County?

No impact at all, said NRD board member Rich Tesar. Oltmans is not a vital part of the study, which has been

The Washington County dams and Oltmans' suspension are two separate issues. said NRD board member Richard Connealy.

Even if Oltmans vacates his position for one reason or the other, the study will go on as planned.

If the NRD is a bus, the general manager is the driver, getting everyone where they need to go. Kolowski said.

"If you lose the driver, you get a new one," he said. "The important thing is the bus keeps going down the road."

While Oltmans is one of the leading forces pushing for the Washington County dams, it is too early to speculate whether his suspension changes anything, said Papio Valley Preservation Association president, Gary Lambrecht. The outlook and goals of the PVPA will remain unchanged, he said.

The NRD plans on moving ahead with all of their projects. Leadership is important, but the NRD is not centered on one person. Kolowski said.

An embarrassment

Tacky, tacky, tacky is the only way I can describe the news stories about Steve Oltmans, general manager of the Papio-Missouri River Natural Resources District, and his extramarital affair with a thenboard member.

Although I am totally against ex-

W-11 3-29-06

tramarital affairs, I think the news story was equally as tacky. To top it off, The World-Herald ran a picture of Mr. Oltmans and his adulteress.

I sure hope I don't ever have to work in a business where my sins would appear on the front page of the newspaper.

Bonnie Sykes, Norfolk, Neb.

Fire Mr. Oltmans

Steve Oltmans, general manager of the Papio-Missouri River Natural Resources District, lied to his board about a long-term, extramarital affair that influenced at least one vote on a public project. If such a thing happened to someone on a school board or in the private sector, I think he or she would be fired immediately.

Mr. Oltmans should be fired. He has abused his position. He is 62 years old and should know better. He also should be setting a good example for younger people.

Someone with such little integrity should not be allowed to manage an organization whose decisions impact many lives. I hope the NRD directors do their jobs and fire Steve Oltmans. W-H 3-3/-06

Matthew Herrley, Omaha

Interlocal agreement approved for Hubbard's recreation area

By Sarah LaBrune

Star Editor

E-mail; news@dakotacountystar.com

The Dakota County Board of Commissioners along with the cities of Dakota City and South Sioux City, Siouxland Ethanol L.L.C., Craig Broyhill and Amy Freeman gave their approval for an interlocal agreement that will move things along on the 32-square mile Pigeon-Jones Creek recreation area planned near Hubbard.

"I feel this would be a great thing for Dakota County," Mayor Bill McLarty of South Sioux City said. "It will enhance and get people to move to the area."

"I think it will be an economic boom for Hubbard and Homer and the landowners around it," Commissioner Rick Bousquet said. "I think this will bring a lot to Dakota County."

Ralph Puls, land and water programs coordinator for the Papio-Missouri River Natural Resource District (NRD), explained the NRD "has full intent to follow through" and won't put any money forward until approval from the state comes.

Depending when construction commences and ends, the county's cost to the project may be spread over two to three fiscal years. Thinking positively, construction will begin in 2008 and end up costing the county approximately \$300,000.

Located 10 miles southwest of South Sioux City, the project will total about \$7 million and have a 200-acre lake surrounded by a 500-acre recreation area. There will be walking and mountain bike trails, camping spots for RVs and tents and an equestrian trail.

In other news

The commissioners also discussed the possibility of closing Knox Blvd. for 30 to 40 days this summer to do reconstruction. A detour would take traffic through Hubbard.

The board is asking contractors to submit two bids for Knox Blvd. One to close the road completely and another that would involve shutting down one lane of traffic at a time. Brian McDonald of JEO said the extra time it would take to do the road one lane at a time could end up costing the county anywhere from 10 to 20 percent more.

McDonald also brought up the Wigle Creek Road relocation. The expected state date is June. Half of the dirtwork was completed in the fall, however, power lines and possibly rural water issues need to be looked into.

Judy Renkel represented the Dakota County Agricultural Society at the meeting. Renkel asked the board if they would grant approval for the Ag Society to get their own liquor license. In the past, the Ag. Society has relied on Gateway Bar to provide liquor, but they are trying to raise money for the fair by supplying their own alcohol. The board granted approval.

A public hearing will be planned to discuss South Bluff Road and levee issues in April. Pilot-Tribune

Letters

'Oltmans should be fired'

To the editor,

The time has come for our Papio-Missouri River Natural Resources District board of directors to do the right thing and fire the general manager, Steve Oltmans. Oltmans has deceived and lied to the board and the public a number of times.

He promoted the Newport Landing Lake as a flood control project that would be a win-win situation for the taxpayers. HDR engineers stated this lake would actually provide a 1.22 percent flood control benefit. In October 2005, the Newport Landing Lake SID filed bankruptcy. How did we "win" in that situation?

In July 2004, Oltmans told the Washington County Board of Supervisors that there were no dams planned for Washington County in the foreseeable future. Less than a month later, the Omaha World-Herald broke the story that a study had already been done which included two large dam projects in Washington County.

Most recently, Oltmans denied having an affair with a former board member. When he finally admitted that yes, he did have the affair, the board suspended him for 30 days, with pay, while they conduct an investigation.

Why is this a big deal? Why should we care if he has an affair? As taxpayers of this NRD we should care a great deal. Oltmans had this affair with a board member of the NRD before, during, and after her term as a director. He took her along on official NRD business. And perhaps most importantly, he told her how to yote on NRD issues.

This is clearly unprofes-

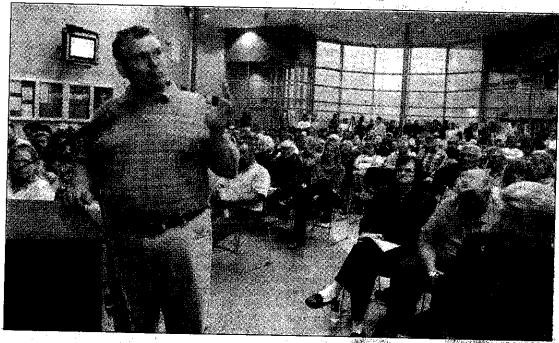
sional conduct and means for dismissal. Oltmans has compromised the business of the P-MRNRD with his unethical behavior. We urge the board of directors to use its authority to remove Oltmans from his position as general manager. He answers to the board, and the board, as elected officials, answers to us, the taxpayers. Now is the time for us to demand integrity and accountability. We cannot accept anything less.

Bob and Amy Harper

Kennard

Editor's note: Barb Nichols, the woman with whom Oltmans had the affair, has said Oltmans swayed her vote on one issue – whether to allow an OPPD power line to be extended along the Keystone Trail in Omaha. Hers was the deciding vote in favor of the proposal. OPPD ultimately decided not to put the line along the trail.

Proposal for two dams questioned



A proposal to build two large flood-control lakes in Washington County drew several hundred people to Benning ton High School Wednesday night. Opposition to the plan, which would flood dozens of homes and several thousand acres of farmland, was strong. Washington businessman Bob Harper, above, questioned why people who would be adversely affected by the dams don't have a stronger voice in the process. The dams have been proposed by the Papio-Missouri River Natural Resources District and would cost more than \$100 million.

Bigger tax bills could be in store in water-short NRDs

Districts having river basins with water use deemed fully or overappropriated could set higher property tax levies under bill.

Residents in water-short natural resources districts soon could begin getting larger property tax bills under a bill that got second-round approval from the Legislature on Wednesday.

The measure (LB1226) would allow natural resources districts that contain river basins with water use deemed fully or over-appropriated to set higher property tax levies. Next fiscal year, districts could increase their tax levies by 3 cents per \$100 of valuation; levies then could be boosted 2 cents the following fiscal year and 2 cents in fiscal 2008-

The additional money would be used by districts to comply with new state rules designed to slow de-pletion of ground- and surface water and that recognize the link between the two. Buying surface water, conducting water modeling to gauge water levels and working with entities including the University of Nebraska to help conserve water are among the things the additional tax money could be used for, according to Sen. Ed Schrock of



Holdrege.

All or parts of eight natural resources districts in the state -BY NATE JENKINS mainly in the south-central, southwest and west — are fully appropri-

> "We expect the local NRDs to contribute to solving some of the problems," so additional dollars are necessary, said Sen. Tom Baker of Trenton.

> "I realize it's a potential tax increase," he added later.

Sen. LeRoy Louden of Ellsworth pleaded with other senators not to pass the tax increase, saying those who don't irrigate shouldn't have to pay for water-depletion problems irrigators created. Irrigators have seen the "handwriting on the wall" for decades, alerted by dropping water tables, Louden said.

"When anybody tells me they didn't see it coming, they should have known," he said of irrigators.

Schrock argued that if the Legislature does not give the districts additional levy authority they will simply come back and ask senators for money out of the state's general fund to help come into compliance

with water-use regulations.

The depth of the water woes facing the state, particularly in the Republican River, where the state is at risk of paying millions in damages for possibly being noncompliant with a three-state compact, requires stronger action now, said Sen. Chris Beutler of Lincoln.

According to The Associated Press, the state's Department of Natural Resources has estimated Nebraska used 42,000 acre-feet more water from the Republican River than allowed under the compact in 2005, and a total of 62,000 acre-feet more than allowed in 2003 and 2004.

Those amounts dwarf the 10,000 to 15,000 acre-feet the state has agreed to buy for about \$2.5 million from the Bostwick Irrigation District in the Red Cloud area, and Beutler highlighted the gap to argue the state needs to take bolder steps to address the water shortage. Ĥe proposed an amendment for the state to buy easements that would take land out of irrigation-based production but pulled it when it was clear it didn't have needed sup-

More dollars than those that could be raised by natural resources districts are called for in the bill that got second-round approval Wednesday. It also would give the second-round state Department of Natural Resources \$2.5 million a year for two years to help resources districts determine if they are in compliance with new water use rules and need to begin cutting water use.

Also in the bill is \$2.5 million a year for two years to help cities comply with federal stormwater run-off regulations.

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