

MINUTES

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

May 23, 2019

Ord, Nebraska

The May meeting of the Board of Directors of the Lower Loup Natural Resources District was held at the Headquarters Office, 2620 Airport Drive, Ord, Nebraska, on May 23, 2019. Chairman Citta called the meeting to order at 5:06 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson
Joseph L. Citta, Chairman
Jim Eschliman, Vice Chairman
Randy Kauk
Matt Lukasiewicz
Alan D. Petersen
Dean G. Thede
Rick Vlach

Rollie D. Amsberry, Treasurer
Timothy E. Bartak
John Coffey
N. Richard Hadenfeldt
Gary A. Kruse
James C. Nelson
Gerald Smith
Henry J. Thoene, Secretary

Directors absent

Robert L. Bauer
Larry Mohrman

Beth Boesch
Chad J. Podolak

Staff in attendance

Russell G. Callan, General Manager
Irene F. Kreifels, Administrative Assistant
Larry D. Schultz, I&E Coordinator
V. Anne Freeman, Water Programs Secretary
Cam Conrad, Water Modeling Coordinator
Jane Klanecky, Receptionist
Brent D. Lakin, Water Resources Technician
Dell R. Harris, Water Resources Specialist

Tylr Naprstek, Assistant General Manager
Kim A. Lyons, Financial Secretary
Cheryl Hornickel, Programs Assistant
Richard L. Woollen, District Forester
Brian Kolar, Projects Technician
Jason Moudry, Water Programs Specialist
LeeAnn Smith, Water Programs Assistant

Guests in attendance

Bryce Bauer, Liaison DC, NRCS, Ord	Todd Nitsch, Boelus
Martin Riddle, Sargent	Bill Hart, Sargent
Karl Davis, Sargent	Pat Larsen, Fullerton
Don Clark, Sargent	Blake Johnson, Bruning Law Group, Lincoln
Spencer Hartman, Bruning Law Group, Lincoln	Jackson Powell, Bruning Law Group, Lincoln
Adam Rupe, JEO, Lincoln	Dustin Wilcox, NARD, Lincoln
Gerry Sheets, Middle Loup Irrig. Dist.	

NOTICE OF OPEN MEETING LAW POSTING

Chairman Citta referred those in attendance to the open meeting law information posted in the Board room and that meeting material was available at the entrance to the Board room.

VERIFICATION OF MEETING NOTICE AND ADOPTION OF AGENDA

Chairman Citta asked for verification of the meeting notice. General Manager Russell Callan stated that the agenda was current, and that the meeting notices were properly published in all newspapers, posted at the NRD Headquarters office in Ord, on the NRD web site, and in the eight field office locations.

ROLL CALL AND EXCUSED ABSENCES

Roll Call was conducted electronically. Directors present: Adams, Amsberry, Anderson, Bartak, Citta, Coffey, Eschliman, Hadenfeldt, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Smith, Thede, Thoene, and Vlach. Directors Absent: Bauer, Boesch, Mohrman, Podolak.

Citta stated that Directors Bauer, Boesch, Mohrman, and Podolak had asked to be excused.

Anderson motioned, seconded by Kauk, to excuse all absent directors. Motion carried by electronic vote. All present voting yes.

MINUTES

Chairman Citta asked for corrections and/or additions to the April 25, 2019, Board meeting minutes. Corrections were noted indicating that Vlach and Anderson were not in attendance at the May 14th Programs and Projects Committee meeting.

Thede motioned, seconded by Thoene, to approve the April 25, 2019, Board meeting minutes with the discussed changes. Motion carried by electronic vote. Board members voting yes: Adams, Amsberry, Anderson, Bartak, Citta, Coffey, Eschliman, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Smith, Thede, Thoene, and Vlach. Board member abstaining: Hadenfeldt. Board members absent: Bauer, Boesch, Mohrman, and Podolak.

TREASURER'S REPORT

Russell Callan, General Manager, highlighted expenditures for \$3,147.26 for water quality probe maintenance; \$5,460.50 for the test hole at Aagaard Farm; \$3,352.50 for rebar for the new tent camping spots at Davis Creek; and \$123,339.00 for three new pickups from Ericson Ford.

Kauk asked about the vehicle bid process and Callan replied that requests are sent to all major dealers in the District.

Vlach motioned, seconded by Smith, to approve the May 23, 2019, Treasurer's Report and pay all bills. Motion carried by electronic vote. Board members voting yes: Adams, Amsberry, Anderson, Bartak, Citta, Coffey, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Smith, Thede, Thoene, and Vlach. Board members abstaining: Eschliman and Hadenfeldt. Board members absent: Bauer, Boesch, Mohrman, and Podolak.

The Treasurer's Report Approval Policy states that the approved expenditures are to be published and each director who has per diem and/or reimbursement of expenses included in such financial reports, abstains from voting for the approval of his or her own per diem and/or expense reimbursement.

PUBLIC COMMENTS

Chairman Citta asked for any public comments. Martin Riddle of Sargent discussed the continuing drainage and flooding issues that Sargent was experiencing and thought the issue was to be on the May agenda. Callan replied that it would be on the June Programs/Projects Committee agenda, and subsequently on the June Board meeting agenda. Sargent residents expressed that they would be glad to show NRD personnel where the problems were and stated that water had been running across the road all but four days in the last month.

Adams stated that the city manager had been contacted about the drainage issues to see what his suggestions were and hadn't heard back from him. Callan said he and Kolar had met with the City and Miller and Associates on a Sargent in-town water issue and they were working on solutions. Bill Hart of Sargent stated that they were looking at a different area than some were concerned about. Lukasiewicz stated he has spoken to some of the residents of Sargent and thought the issue may be more severe now that it had been in the past and that the ambulance has had trouble getting to various sites due to flooding issues.

Callan stated that an IPA was started there in the late 90s and didn't progress for multiple reasons, including Corps of Engineers permitting and wetland issues. Callan suggested that it might be beneficial to revisit the possibility of an IPA. He stated that the residents would need to form an IPA and come to the NRD for assistance with their project. Citta stated that NRD staff would gladly meet with Sargent residents and explain the process of an IPA. Citta stated that the Sargent water issues would be on the June committee meeting to be held in Bartlett.

PUBLIC HEARING – RASMUSSEN LAND & CATTLE INC. CEASE & DESIST

Chairman Citta provided the structure for the public hearing and formally opened the hearing on the Rasmussen Land & Cattle Inc. (formerly known as Rasmussen Brothers Feedyard and Gary A. Rasmussen) Cease and Desist Order at 5:20 p.m.

Tylr Naprstek, Assistant General Manager, entered the exhibits from the Lower Loup Natural Resources District into the hearing record including the Lower Loup Natural Resources District's Groundwater Management Plan; the Lower Loup NRD's Rules and Regulations for Enforcement of the Nebraska Groundwater Management and Protection Act; Notices of Publication and Affidavits of Publication received at the NRD office by Board meeting time from Columbus Telegram, Grand Island Independent, Sherman County Times, Phonograph-Herald, Custer County Chief, and Burwell Tribune, as well as being posted on the NRD website; the Notice of Intent for Cease and Desist Order served to Mr. Rasmussen; the return receipt for the Notice of Intent to Issue a Cease and Desist Order; and Findings of Fact of Rasmussen being the owner of irrigated and non-irrigated land within the boundaries of the District and the violation he received in January, 2016; the *Schedule of Compliance* Rasmussen filled out after aerial photography showed Rasmussen irrigating lagoon water on non-certified acres in 2017 and 2018; the Variance request and minutes from the meeting June 23, 2016, where the variance was denied; the 2017 nutrient application report submitted by Rasmussen to NDEQ indicating that 6.39 inches of lagoon water had been applied; the 2018 nutrient application report submitted by Rasmussen to NDEQ indicating that 3.16 inches of lagoon water had been applied; and a copy of the certified letter and corresponding information that was received by Rasmussen on March 21, 2019, stating the violation.

Naprstek said that, due to the information submitted, the Lower Loup NRD should have reason to believe that Rasmussen had repeatedly violated the certification requirements and staff recommended a Cease and Desist Order be issued.

Citta asked for testimony from Rasmussen Land and Cattle. Blake Johnson, Bruning Law Group, entered into the record a letter dated May 22, 2019, from Reckner Law of Lincoln, Nebraska, counsel for Mr. Rasmussen, and the motion it contained to withdraw notice of intent. He said the letter indicated that Rasmussen would not appear for the hearing and that he didn't believe the NRD has the authority to regulate his application of lagoon water.

Citta asked for further testimony on behalf of Mr. Rasmussen. None was heard.

Lukasiewicz asked if emergency pumping was allowed, and Naprstek answered that the Rules allowed for up to three inches of emergency pumping; however, the proper rule process and criteria must be followed. It was shown that Rasmussen pumped slightly over three inches in 2018 and over six inches in 2017.

Naprstek said that Rasmussen's variance request had been denied at the Variance Committee meeting and the Board of Directors meeting, both held on June 23, 2016. Naprstek

reported that Rasmussen had been pumping lagoon water and that no ground or surface water was involved, but stated that, according to the Rules, lagoon water had to be certified.

Petersen asked if there was any way Rasmussen could be allowed to pump lagoon water, and Naprstek stated Rasmussen did apply for additional new irrigated acres but didn't rank high enough. Naprstek said Rasmussen had been told that he could get a surface water permit or transfer acres in, but those options had never been explored. Petersen asked if nitrates cause any issues and Naprstek replied that it does; however, Rasmussen could have gone through the emergency process if protocol was followed appropriately. Lukasiewicz stated he had talked to Ryan Rasmussen and admitted they had irrigated more acres than they were supposed to in a must-pump situation.

Naprstek stated he had a *Schedule of Compliance* that was completed by Rasmussen stating he would not apply lagoon water again without first getting the said acres certified, but yet proceeded to irrigate. Naprstek reported that the initial violation was sent prior to the 2016 irrigation season. Citta stated Rasmussen would have the opportunity to obtain new acres through different processes. Naprstek stated that there were several acres available in the North Loup Valley that Rasmussen could have potentially transferred in. Naprstek said Rasmussen had applied for new acres in 2016; however, his score was lower than the cut-off allowed.

Smith reiterated that at the variance meeting, Rasmussen signed an agreement stating he would not irrigate until he either obtained acres or remedied the issue. Coffey asked if Rasmussen had another place he could go with the water, and Naprstek stated that there were two adjacent fields that were linked up and part of his nutrient management plan, but Rasmussen said it would be inconvenient to use those fields. Naprstek said Rasmussen developed a field and set up his pivot to pump directly out of his lagoon.

No other questions were heard.

Citta stated he would close the evidentiary portion of the public hearing since there was no further evidence presented.

Citta asked for any additional comments from the Directors. None were heard.

Citta closed the hearing at 5:37 p.m.

ACTION ON RASMUSSEN LAND & CATTLE INC. CEASE & DESIST

Citta asked the Board to move to enter the findings and entertain adoption of the Cease and Desist Order for Rasmussen Land and Cattle, Inc.

Petersen asked if Rasmussen's argument was that the NRD doesn't have the authority to regulate lagoon water application. Blake Johnson stated that since it was not groundwater application, Rasmussen felt the NRD did not have jurisdiction and could not stop him from using it. Coffey expressed concern that Rasmussen would have to find a way to use the lagoon area.

Callan stated that, if only lagoon water was used for irrigation, it could potentially cause contamination of groundwater and a buildup of nitrates which would result in water quality concerns.

Naprstek stated that all the information was sent to DEQ and, in the last testimony, DEQ stated the NRD does have authority to regulate lagoon water because it is not yet regulated by them. Callan said DEQ oversees point source, and beyond that is the NRD for non-point source and potential pollution.

Eschliman stated that Rasmussen had said that he would not irrigate said acres. Eschliman said that Rasmussen had other places he could go with the lagoon water. Citta stated that lagoon water application is specifically addressed in the rules. Thoene said that one consideration was a hog facility pumping groundwater into a lagoon and purposely irrigating with it. Citta stated that Rasmussen could expand to other acres if they go through the correct process.

Smith motioned to approve the Cease and Desist Order for Rasmussen Land and Cattle, Inc.

There was discussion on fines if a violation of the cease and desist order occurs and irrigation continues. Blake Johnson stated the NRD could seek up to \$1,000 per day maximum fine per violation. He said it would be up to a District Court judge to assess the fine, as the NRD cannot impose, on its own, the civil penalty.

Motion seconded by Thede.

Johnson stated that the court would take into consideration several factors, but \$1,000 per occurrence would be the maximum fine. Citta said that the penalty wouldn't fit if Rasmussen set aside double acres.

Callan said the range of the fine would be from \$1,000 to \$5,000 per incident and that the Board would have to decide what that 'incident' was. Johnson said it would be a judge's decision as to what 'incident' is, but the NRD could make an argument as to what 'incident' ought to be. He advised the Board to clarify at this meeting if the NRD would be forgiving the past conduct, or, in the event Rasmussen violated again and the NRD chose to seek civil penalties, would the NRD go back and include prior violations? He said the record needed to be clear on what the intent of the Board was going forward regarding penalties by Rasmussen, past and possibly future. Citta asked that if a cease and desist order were issued at this meeting, would the NRD be able to go back to the beginning of the violation occurrences or would it only count toward future violations. Johnson answered that, in light of the prior *Schedule of Compliance*, the NRD could go back because Rasmussen had been put on notice of the violation and sought to address it in one instance. He further stated that he viewed the second notice as a firmer stance, but violation of the *Schedule of Compliance* itself could still be prosecuted. Citta stated he felt that since Rasmussen had completed the *Schedule of Compliance* but continued to irrigate lagoon water two more years, it would be practical to at least go back to that time.

Eschliman asked that when a producer had violated in the past and the NRD issued a cease and desist and the landowner agreed to cease and desist, did the NRD go back and penalize two acres for every one they had irrigated? Callan answered that that penalty would have been in the signed *Schedule of Compliance*. He said if a producer was caught over-irrigating acres and found in violation, and they agreed to not irrigate two times the acres that had been over-irrigated, the NRD would sign off on the *Schedule of Compliance*. If the producer did not agree to those terms, he must go in front of the Board for review. Callan stated that Rasmussen's scenario is different since he didn't have any acres to take away. Johnson advised that the violation of the *Schedule of Compliance* was sufficient to show cause for the cease and desist order.

Callan asked Johnson what the NRD could do if the Board doesn't issue a cease and desist order. Johnson stated the NRD could take the case to District Court and seek penalties for violating the *Schedule of Compliance*. He stated that to adhere to the statute would be to issue a cease and desist order at this meeting, and, in the event that Rasmussen violates the order and unapproved irrigation practices continue, the NRD could seek civil penalties. Johnson reiterated that the Board needs to be clear on what penalties the NRD would be seeking.

Smith rescinded his previous motion and Thede withdrew his second to the motion.

Smith motioned, seconded by Thede, to approve the cease and desist order and that violation of the cease and desist order would include going back to 2016 for the penalties.

Bartak expressed concern that violators might see that the penalties imposed in court may be cheaper than signing the *Schedule of Compliance* and losing acres. He said having to give up acres might be more expensive than the fine a judge might issue. He stated that the *Schedule of Compliance* might need to be revisited. Citta asked that, if the case was taken to court, could the NRD ask for a penalty of giving up acres vs. monetary, as has been done in previous cases. Johnson stated that the *Schedule of Compliance* was a tool for individuals who don't want to go to court.

Motion carried by electronic vote, all present voting yes.

A short recess was held from 6:00 p.m. to 6:09 p.m. due to a power outage and rebooting equipment.

FORESTER'S REPORT

Rich Woollen, District Forester, reported on the Buffer Strip Program, administered through the NRD. He reported that the Department of Agriculture was considering a two-year grace period for those who had damage due to flooding; however, the NRD must be notified of the issues. Woollen reported that there would be no assistance available through the Buffer Strip Program from the Department of Ag for reseeding filters, but the FSA ECP program would assist with reseeding and debris removal.

Woollen said tree planting has continued, although it has been a challenging year due to rain and road conditions.

NRCS REPORT

Bryce Bauer, NRCS, reported staff he been looking at ECP which has four categories -- debris removal, fence, grading and shaping, and practice repairs. He reported NRCS was looking at the grading/shaping and practice repair categories and FSA was taking care of the debris removal and fence categories. He said NRCS had looked at about 100 sites. Bauer reported that the new conservation interns had started and said that Ali Smith, Abby Hill, and T.J. Dubas are doing a great job. He also reported that staff had been working on EQIP contracts. He said all 2019 CSP applications would be ranked by the end of June. Bauer said that, after the main flood, there would be no 2018 compliance reviews because they all would have been given a variance and all would be checked in 2019. Vlach said that under the grading/shaping and practice repair portions of the ECP program, the practices are just being 'patched' and wondered if it would be better to sign up to rebuild the practice. Bauer said NRCS is recommending rubber tire compaction.

INFORMATION & EDUCATION REPORT

Larry Schultz, I&E Coordinator, reported that a new recreation video had been produced that would be airing publicly. Due to equipment issues caused by stormy weather, he hoped to show it to the Board later in the meeting.

Land Judging Workshop

Schultz reported that he would be helping with the Land Judging Workshop to be held in St. Paul on June 3rd, hosted by the State Land Judging Committee. He reported the NRD would dig the pit and soil scientists and ag educators would conduct the rest of the workshop.

Camps

Schultz reported that May 24th was the deadline to register for Range Camp and May 31st was the deadline for ACE Camp registration. He said the NRD offers \$100 scholarships to both camps.

ASSISTANT GENERAL MANAGER'S REPORT

Davis Creek Update

Naprstek reported that water started coming into Davis last week. He said there was a camp host on site and spots are filling up for the weekend. Dell Harris and the summer crew had been working to repair roads that were in poor shape due to increased traffic and weather conditions. He also reported that the maintenance crew was working on pouring the concrete for the tent camping pads in the new area. He reported that they should be completed by next month.

Pibel Lake Update

Naprstek reported that construction was set to begin next week and completed by the end of June.

Buffalo County, Ravenna Lake Report

No report

Columbus Area Water Resources Assessment Study Update

Naprstek said a report would be given later in Programs/Projects Committee report.

Schultz showed the recreation video for Davis Creek.

WATER RESOURCES COMMITTEEColumbus Recharge Project

Naprstek reported that he and Callan met with Behlen Manufacturing about water quality issues of Dioxane contamination onsite. He said that they were seeing depletions in water levels and wanted to make sure that recharge pumping wouldn't negatively impact the area. He said Behlen would be putting in a filtration wall alongside a railroad track south of Behlen and would continue monitoring the area. He reported that Callan had received the entire sampling report for Behlen and staff would review. Callan said that HDR and Terracon were communicating to make sure they didn't adversely affect each other. Naprstek said that one of the benefits he could see when and if the recharge project was operational, would be that it would offset the cone of depression to hopefully restore the 1-4 Dioxane progress back to the southeast. He said the goal is to not have 1-4 Dioxane in Christopher's Cove.

Area 28 Data Report

Naprstek reported that he showed slides of the nitrogen program to the Committee members and said that the *Water Matters* publication was in the process of being developed and will be sent to constituents in both Area 28 and, for the first time, the soon-to-be-designated Phase II area in Wheeler County. He said yields were higher this past year than in any other year and amounts of commercial fertilizer applied were also higher. He said environmental nitrogen has leveled out. He said the goal was to reduce the amount of nitrogen being applied year in and year out.

Spring, 2019, Static Water Level Report

Naprstek reported on the 2019 Static Water Level Report and reviewed the numbers with the Board. He said the District average had jumped 1.76 feet. Interpolation maps were reviewed showing the levels throughout the District.

Naprstek reviewed the 2019 Water Level Transducer Update put together by Brian Kolar showing transducer placement around the District and readings from several locations.

Smith motioned, seconded by Eschliman, to approve the Spring, 2019, Static Water Level Report. Motion carried by electronic vote, all present voting yes.

2018 Irrigated Acres Violations Update

Naprstek reported on the irrigated acres violations and said that most of the original 61 violations have been resolved either through a field boundary revision or irrigated acres with history added to the certification.

Wheeler County Nitrates – Phase II Designation

Naprstek reported that the June committee meetings will be held in Bartlett on June 18th and there will also be a hearing to designate the Phase II area. He said the nitrate readings are very high in the area of Township 23 North, Range 9 West. He said DEQ was encouraging the NRD to proceed forward to address water quality concerns.

Drought Study

The Committee also discussed conducting a basin-wide drought study and potentially involving Upper Loup NRD. He said staff planned to reapply for a Water Sustainability Fund grant. Callan said Lower Loup would be working with Upper Loup during the process but may not be jointly.

PROGRAMS/PROJECTS COMMITTEE

WFPO Grant for Mud Creek Study

Kruse reported that the Committee discussed the Watershed and Flood Prevention Operations Program (WFPO) grant for conducting a study on Mud Creek. Callan stated he has been in contact with JEO to look at potential plan/project for the Mud Creek area. Adam Rupe, JEO, gave a history of the program. He said the WFPO grant provides 100% funding for development and construction of a plan to limit flooding and improve water quality and quantity. He said grants are limited to areas 250,000 acres or less, so only the area of Mud Creek from Merna to Litchfield would be considered. He reported that the planning process takes up to 24 months to complete and after the plan is approved, the project could move into the construction phase.

Kruse motioned, seconded by Petersen, to hire JEO for \$14,000 to assist with application of the WFPO grant from NRCS for Mud Creek. Motion carried by electronic vote, all present voting yes.

319 Grant for Clear Creek Watershed BMPs

Callan reported that Dan Ruterbories gave a presentation at the Committee meeting and said that work continues on Pibel Lake and Clear Creek Watershed after DEQ listed them as a Category 5 impairment. He said at that time, the NRD began the watershed plan and implemented best management practices, including no-till farming, nutrient management, and cover crops. Callan said that cover crop work had been completed on 3,000 acres. Naprstek said the 319 grant was due in September and awards would be presented in January. He said the grants provide funding for cost-share for BMPs in the watershed, and the program could be expanded to include other BMPs such as soil moisture sensors to help control irrigation.

Kruse motioned, seconded by Thede, to apply for the DEQ 319 Grant for the Clear Creek Watershed. Motion carried by electronic vote, all present voting yes.

Fullerton Swimming Pool Project Funding

Kruse reported that the Fullerton representatives were present at the Committee meeting to discuss NRD participation in their new pool project. He said the old pool had been demolished and construction had begun on the new pool. He said funds had been received from several entities.

Thede motioned, seconded by Adams, to contribute 20% of \$100,000, not to exceed \$20,000, for the Fullerton Pool Project. Motion carried by electronic vote. Board members voting yes: Adams, Amsberry, Anderson, Bartak, Citta, Coffey, Eschliman, Hadenfeldt, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Thede, Thoene, and Vlach. Board member abstaining: Smith. Board members absent: Bauer, Boesch, Mohrman, and Podolak.

South Loup Project

Kruse reported that the Committee had discussed preliminary funding for the South Loup Project and said that Upper Loup NRD had agreed to contribute \$4,000 to the project and the Lower Loup NRD would make up the remaining amount of just over \$10,000.

Kruse motioned, seconded by Adams, to approve funding of \$10,597 for the HDR South Loup Project Study.

Adams said he thought Central Platte NRD would benefit from the South Loup Project and asked if they had been approached to help financially with the project, and Callan stated he was not sure it would benefit Central Platte as much. Adams asked if a project could be done without recreation, and Callan stated if a project was over 150 acre-feet, there must be public access for all dam projects.

Motion carried by electronic vote, all present voting yes.

Open Fields and Waters – Nebraska Game & Parks

Callan said that he, Naprstek, and Ruterbories would be meeting with Nebraska Game & Parks to talk about their Open Fields and Waters program to see if there is any way the NRD could be involved in it. He said the program offers financial incentives to landowners to allow walk-in access to their properties.

MANAGER’S REPORT

Litigation Update

Citta stated that an Executive Session would be held later in the meeting to discuss legal and proprietary issues.

New Hires

Callan reported that summer help had begun this month.

Non-Action Reports

None.

FY 2020 BUDGET WORK SESSION #1

Callan went over the following budget codes and the suggested amounts for budget.

Code 405 – Auto & Truck Expense - \$68,000
 Code 167 – Auto, Trucks, & Other Equipment - \$134,000
 Code 407 – Directors Expenses - \$60,000
 Code 409 – Directors Per Diem - \$36,000
 Code 413 – Dues & Memberships - \$60,000
 Code 417 – Personnel Expenses - \$55,000
 Code 419 – Fees & Licenses - \$58,600
 Code 421 – Public Information, Education, and Promotion - \$160,000
 Code 423 – Bonds - \$500
 Code 425 – Insurance - \$53,000
 Code 426 – Chemigation - \$8,000
 Code 431 – Legal Notices - \$18,000
 Code 432 – Miscellaneous Expenses - \$15,000
 Code 433 – Office Supplies & Expenses - \$40,000
 Code 169 – Office Equipment - \$45,000
 Code 436 – Employment Security - \$5,500
 Code 437 – Postage - \$35,000
 Code 439 – Professional Services - \$50,000
 Code 452 – Telephone - \$28,000

Code 453 – Utilities - \$46,000
 Code 463 – Building Maintenance - \$30,000
 Code 213 – Loan Repayment - \$1,000,000
 Code 464 – Farm Account - \$20,000
 Code 467 – Davis Creek Recreation Area & Maintenance - \$150,000
 Code 479.00 & 454 – Pibel Lake Recreation Area & Maintenance - \$500,000
 Code 469 – Wildlife Habitat Program - \$50,000

Smith motioned, seconded by Amsberry, to tentatively approve the first half of the FY 2020 budget as presented. Motion carried by electronic vote, all present voting yes.

NARD REPORT

Eschliman reminded everyone of the upcoming Basin Tour on June 10-11. He said the Legislature passed the budget bill.

NRC REPORT

Hadenfeldt reported that the NRC met the previous day, with the Rules Committee meeting first. He said the governor told them to fix the rules and rewrite some of them. He said they control the funds for small watersheds, water well decommissioning, NSWCP, Water Quality Fund, and Water Sustainability Fund. He said most of the changes were to change the word “shall” to “will.” He said the sustainability fund is set and there will be another meeting in August.

RC&D REPORT

Thoene said there was nothing official to report.

ANNOUNCEMENTS / FUTURE MEETING TOPICS

None.

Eschliman motioned, seconded by Smith, to enter Executive Session at 7:22 p.m. to discuss personnel, legal, and confidential matters. Motion carried by electronic vote, all present voting yes.

Adams motioned, seconded by Petersen, to come out of Executive Session at 8:03 p.m. Motion carried by electronic vote, all present voting yes.

Kruse motioned, seconded by Thoene, to approve a 2.5% increase for staff salaries and an additional 1.3% to be apportioned at the discretion of the General Manager. Motion carried by electronic vote. Board members voting yes: Amsberry, Anderson, Bartak, Citta, Coffey, Eschliman, Hadenfeldt, Kauk, Kruse, Lukasiewicz, Nelson, Petersen,

Smith, Thede, and Thoene, Vlach. Board member voting no: Adams. Board members absent: Bauer, Boesch, Mohrman, and Podolak.

Lukasiewicz motioned, seconded by Bartak, to increase the General Manager's salary \$7,000 to \$124,500 for the upcoming year. Motion carried by electronic vote. Board members voting yes: Amsberry, Anderson, Bartak, Citta, Coffey, Eschliman, Hadenfeldt, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Smith, Thede, and Thoene, Vlach. Board member voting no: Adams. Board members absent: Bauer, Boesch, Mohrman, and Podolak

Citta reminded everyone that Committee meetings would be held at the Bartlett Fairgrounds Exhibit Hall and the hearing for Area 29 would be held at 1:30 p.m.

ADJOURNMENT

With no further business before the Board, Citta declared the meeting adjourned at 8:07 p.m.

Roster for attendance of this meeting and tally of votes cast on motions at this meeting are being filed with the official minutes of this meeting at the Lower Loup Natural Resources District's Headquarters Office, 2620 Airport Drive, Ord, Nebraska. Publication notification of this meeting was made via a newspaper in each county within the District. The next Board of Directors meeting will be held June 27, 2019, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Henry J. Thoene
Secretary