

**LOWER NIOBRARA NATURAL RESOURCES DISTRICT
BOARD MEETING MINUTES
June 5, 2017**

Chairman Baumeister called the meeting to order at 7:09 P.M. He called attention to the Open Meeting Law poster on the wall in the meeting room and stated notices of the meeting were published in newspapers of general circulation throughout the District.

APPROVAL OF MAY 1, 2017 MEETING MINUTES

Motion by Higgins and second by Marcellus to approve the minutes of the May 1, 2017 meeting as provided to the Directors. Roll Call Vote, Aye: (Engelhaupt, Higgins, Janzing, Klawitter, Marcellus, Morrow, Naprstek, Baumeister, Bell, Connell) Abstain: (Liewer, Wendt) Absent: (Holtgrew, Kaczor, Mahon, Pavlik, Schultz).
MOTION CARRIED.

MANAGER'S REPORT

Terry's report was mailed for Directors to review. (Mahon entered 7:10 P.M.) Terry drew attention to the second MOU and the Purchase Agreement for the Spencer Hydro Facility in the packets. (Kaczor entered 7:12 P.M) Original paperwork did not specify the appropriations by number. This has been sent to NPPD with those updates. Hopes are to hear from Attorney Blankenau shortly. The last NARD Legislative Update was passed to Directors. They were to indicate if they desired a copy. Terry mentioned the Bazile GWMA group is working with NRCS regarding hiring of a second person to utilize NWQI and 319 funds in the Bazile GWMA area. Intentions are to meet with Craig Derickson, State Conservationist tomorrow night or Wednesday to further discuss this.

WATER RESOURCES COORDINATOR REPORT

Wade's report was mailed prior to the meeting. He passed around a copy of the Breithaupt report sent to DEQ. He explained when looking for contamination the levels of chloride and ammonia are important rather than nitrate as nitrates in the lagoon are lost into the air. The test results of these levels were good and nothing has been heard from DEQ. He informed the Directors of the Brian Smith helper well application. Brian will need to install a flow meter or pay the District to read it. Wade mentioned the static water level report he had mailed. The 20 year trend still shows a decline.

PROGRAMS ASSISTANT

Connie's report was also mailed. She mentioned her goal is to enter 100 forms per month. Things are going much better now that all the computer programs are working properly. She also reported the entering process will be slowing down as now she is at the point trying to deal with those individuals who did not respond to initial contact. Liewer commended her on her progress certifying the acres.

ASSOCIATION REPORT

Wendt also reported the Legislative Session has concluded. She plans to attend the NARD Meeting in Norfolk, but is unable to go on the tour. She asked if anyone else was. Terry responded he, Liewer and Bell were going. She encouraged Directors to attend the Fall Conference in Kearney and mentioned this is the time to be thinking of any resolutions this Board would want to submit.

AGENCY REPORTS

NRCS--Jim Mathine mentioned his report was mailed late, so he hoped all Directors had received it. He reported 14 EQIP contracts were funded for \$350,000 and a synopsis of the practices utilized were in his report. In past years additional EQIP funds were available around October, so additional funds could possibly be available later. The Neligh office has been understaffed for some time, so he has been sending some of his personnel there to assist with work. He mentioned the private Kalkowski Pasture Tour on June 23rd, where he has been asked to speak. This is the time of year for the annual EQIP reviews and modifications are being made to contracts.

Niobrara Council--Higgins reported Council Member Krueger resigned, reason unknown. The Budget Committee met to see what could be done to replace the \$37,000 not received from the State. Budget reductions included staff, Attorney attendance at every meeting, moving of office to the County Court House (rent free), Council Members mileage being turned into their respective agencies and Kieborz's husband's insurance will be paid through his employer. The group met with Big Muddy, who designs recreational areas for suggestions on Rocky Ford. Suggested items were RV hookups, rest rooms, showers, place to eat, souvenir shop, etc. Any of these items would need to be approved by the full Council. Question was raised as to where funds for this would come. Higgins stated grants, donations and Senator Hagel had earmarked \$89,000 for projects such as this for the Council.

Brad Arrowsmith has purchased Rocky Ford, but Higgins indicated he was not sure if funds have exchanged hands. Ownership of land by Friends of the Niobrara was mentioned. Higgins discussed the budget cuts and indicated Kieborz has not received a raise in 8 – 10 years. *(Tom called Tuesday and indicated he failed to add the following to his report: A body was recovered from the river last week by Norden. He wasn't sure whether it was at Rock Ford or not and he did not know the name of the individual.)*

NE RC&D--Pavlik was absent.

Friends of the Missouri--A brochure was passed around. Terry mentioned they are planning a membership picnic on June 24th.

APPROVAL OF WKRWS ADVISORY COMMITTEE MEETING MINUTES – MAY 16, 2017

A copy of the minutes was mailed to Directors. Terry explained the procedures that have occurred in order to get a zero bacteria reading. None of which has resolved the problem. After all these procedures it has been determined there is something in the pipe, not the well. At this point digging the pipe or contacting the Bonding Company may be the next option. Mahon indicated they need to pinpoint the type of bacteria in order to know what is needed to specifically treat that type. Motion by Mahon and second by Klawitter to approve the WKRWS Advisory Committee Meeting Minutes as presented. Roll Call Vote, Aye: (Engelhaupt, Janzing, Kaczor, Klawitter, Liewer, Mahon, Marcellus, Morrow, Naprstek, Wendt, Baumeister, Bell) Nay: (Connell) Abstain: (Higgins) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

PERSONNEL COMMITTEE REPORT – SALARY REVIEW

Motion by Higgins and Naprstek to go into executive session at 8:12 P.M. to discuss personnel. Roll Call Vote, Aye: (Engelhaupt, Higgins, Janzing, Kaczor, Klawitter, Liewer, Mahon, Marcellus, Morrow, Naprstek, Wendt, Baumeister, Bell, Connell) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

Motion by Marcellus and second by Higgins to come out of executive session at 9:12 P.M. Roll Call Vote, Aye: (Engelhaupt, Higgins, Janzing, Kaczor, Klawitter, Liewer, Mahon, Marcellus, Morrow, Naprstek, Wendt, Baumeister, Bell, Connell) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

Motion by Liewer and second by Higgins the salary for 2016-2017 LNNRD employees be set at:
Terry Julesgard-\$87,360.00/yr Vivian Frasch-\$54,600.00/yr Kim Rust-\$25,200.00/yr Rhonda Fischer-\$36.75/hr.
Roll Call Vote, Aye: (Higgins, Janzing, Kaczor, Klawitter, Liewer, Marcellus, Morrow, Naprstek, Wendt, Baumeister) Nay: (Engelhaupt, Connell) Abstain: (Bell, Mahon) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

Motion by Wendt and second by Morrow to accept the RWS Advisory Committee Salary recommendations:
Bernard Jorgensen-\$43,680.00/yr Dan Ebel-\$24.00/hour Dorothy Mastalir-\$18.00/hr
Roll Call Vote, Aye: (Janzing, Kaczor, Liewer, Mahon, Marcellus, Morrow, Naprstek, Wendt, Baumeister, Bell)
Nay: (Engelhaupt, Higgins, Connell) Abstain: (Klawitter) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

Morrow & Marcellus asked Terry to put together some information on the NRD's responsibilities to the WKRWS.

GROUNDWATER MANAGEMENT COMMITTEE REPORT

A copy of the committee meeting minutes was in the packets. Committee recommendation was to *not* allow any additional irrigated acres based upon these three factors: 1) Acre Certification not completed, 2) Purchase of Spencer Dam has not occurred yet, 3) Static water levels still show a decline under the effect of the 2012 drought. Naprstek asked for an explanation of the producer project in the committee minutes. Marcellus explained this would be asking for volunteers in high nitrate areas to plant without using any commercial fertilizer utilizing nitrates in their water to see if or how long it would take to reduce the nitrates in the water. This would be strictly monitored and funding would be available to the volunteer so there would be no risk to him. Terry indicated he would discuss this with the Bazile Group. It was suggested to try this not only in the Bazile GWMA, but also in other areas of the District. Both Marcellus and Morrow felt funding would flow in as this has never been done anywhere. Motion by Higgins and second by Marcellus to *not* allow any new irrigated acres for the FY 2017-2018. (this will be reconsidered at the June 2018 meeting as indicated in the Rules & Regs) Roll Call Vote, Aye: (Engelhaupt,

Higgins, Janzing, Klawitter, Liewer, Marcellus, Morrow, Wendt, Baumeister, Bell, Connell) Nay: (Kaczor, Mahon, Naprstek) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

HOUSING OF MULCH REMOVER -- \$100.00 CONTRIBUTION FOR DEMONSTRATION DAY

Terry explained Chris Kalkowski is working with the Forestry Service and G&P to purchase a machine that will remove the mulch from windbreaks. Chris contacted the NRD to see if they would house the machine. Terry stated he was reluctant to do this since it would be used statewide if the Forestry Service and G & P were involved. We would have to keep track of where it was. Who would handle repairs? No action was taken on housing the remover. A copy of the letter received requesting the NRD contribute \$100.00 towards the demonstration day (July 28th) of this machine on Kalkowski's land was in the packets. Morrow questioned why we were being asked to contribute funds for a manufacturer to demonstrate his equipment. No action was taken on the requested contribution.

HIRING OF 2016-2017 AUDITING FIRM

Vivian explained a bid had been received from Dana F Cole & Co. LLP to perform the NRD (\$4,390.00) & RWS- (\$3,590.00) audits. Higgins stated you probably couldn't get it done elsewhere any cheaper. Motion by Higgins and second by Naprstek to hire Dana F Cole & Co. LLP to perform the audits. Roll Call Vote, Aye: (Engelhaupt, Higgins, Kaczor, Liewer, Mahon, Marcellus, Morrow, Naprstek, Wendt, Baumeister, Bell, Connell) Abstain: (Janzing, Klawitter) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

NSWCP ACTIVITIES

A listing of activities was on the reverse side of the agenda. Vivian indicated to the Directors there were not sufficient funds to allow approval of any applications, but there were three extensions that need to be approved. Motion by Liewer and second by Wendt to approve the Extensions for Kelly Reiser, Lane Rogers and Ken Ellwanger. Roll Call Vote, Aye: (Engelhaupt, Higgins, Janzing, Kaczor, Klawitter, Liewer, Mahon, Marcellus, Morrow, Naprstek, Wendt, Baumeister, Bell, Connell) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

TREASURER'S REPORT

Engelhaupt and Mahon both reviewed the expenditure receipts. Vivian indicated two additions need to be made, one to the WQ Report for credit card expenses to Pinnacle Bank-\$221.84 and the other to the NRD Report also to the Pinnacle Bank for the credit card expenses-\$683.55. Motion by Higgins and second by Marcellus to approve the Treasurer's Reports as presented with the additions mentioned. Roll Call Vote, Aye: (Engelhaupt, Higgins, Janzing, Kaczor, Klawitter, Liewer, Mahon, Marcellus, Morrow, Naprstek, Wendt, Baumeister, Bell, Connell) Absent: (Holtgrew, Pavlik, Schultz). MOTION CARRIED.

OPEN COMMENTS

Mahon informed the Directors of the 1.9 billion dollar BPI lawsuit against ABC over the Pink Slime issue. A disgruntled employee went to ABC with fake information, which brought about the lawsuit. ABC had tried to have the trial held in Florida, but it is being held in Elk Point, SD with local citizens on the jury. Mahon had been employed by this corporation and knows the disgruntled employee that went to ABC. The trial is expected to last 3 months and will set precedence on providing fake news.

Naprstek thanked the Board for the flowers sent to his father's funeral and thanked the staff for attending the funeral.

Bell questioned if there was any value in hiring the lobbyist. Wendt indicated we need to have more information than a weekly report.

EXCUSE ABSENT DIRECTORS

Holtgrew, Pavlik and Schultz were absent.

The meeting was declared adjourned at 9:44 P.M.

ATTENDANCE

Directors: Larry Baumeister, Lana Bell, Karl Connell, Jack Engelhaupt, Tom Higgins, John Janzing, Brian Kaczor, Randy Klawitter, Marvin Liewer, Bradley Mahon, Dwain Marcellus, Curt Morrow, Ray Naprstek, Diana Wendt

Staff: Terry Julesgard, Vivian Frasch, Wade Ellwanger, Connie McCarthy

Visitors: Jim Mathine, Roger Frickel, Paul Allen

I, the undersigned Secretary of the Lower Niobrara Natural Resources District hereby certify the foregoing is a true and correct copy of the proceedings had and done by the Board of Directors on June 5, 2017. That all subjects included in the foregoing proceedings were contained in the agenda for at least twenty-four hours prior to the meeting. The minutes of the Chairman and Board of Directors were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body. All news media requesting notification of the time and place of said meeting and the subjects to be discussed at said meeting were notified.

Marvin Liewer, Secretary