INTERVIEW WITH DON KAVAN, RON SABATKA & CLINT JOHANNES BY GAYLE STARR

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INTERVIEWER: Okay, what I'd like each of you to do is give a little introduction of your history with the NRD, how you got on the NRD, and how long you've been on, and so forth. We'll start with you, Don.

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5 MR. KAVAN: In 1972, I was elected to the Natural 6 Resource District. But prior to that I served on the Sand 7 Creek Watershed Committee. And when we were elected, there 8 was 54 people on the original board and then it got elected 9 down to 21 for the Lower Platte North. And we continued 10 from there. And the neat part of it is, is that we actually 11 served for nothing. As directors, we served for nothing for 12 quite a few years. And I don't know how many of the years 13 we served for nothing. And then, when we did finally get 14 compensation, then it was \$12 a meeting. And we went on 15 from there. But some of our meetings we started at, we were 16 meeting in David City at the time at the KC Hall and every 17 which place until we found an office in David City. And Al Smith was our manager at that time. And our main concern 18 was just soil and water conservation. And that's what the 19 20 NRCS was doing at the time. And then we finally included a 21 whole bunch of other activities, which was a whole list of 22 activities which we participated in and we still do. And 23 that's what's neat about the natural resource district is 24 we've expanded to where we pretty much will cover all the natural resources. So, Ron, do you want to take over? 25

INTERVIEWER: Yeah, Ron.

2	MR. SABATKA: Well, I originally I served on the
3	Long Creek Watershed Board, got elected to that board. And
4	Jerry Erickson was our chairman at the time, and, of course,
5	we had several other people that were on there. I could
6	name them, but it's not important. Then the discussion of
7	forming these natural resource districts came about and our
8	board of course we there was quite a bit of dissent in
9	the board about going that route, because we were afear that
10	we would lose local control, and, you know, all these other
11	things. So, then when the NRDs became viable, why for some
12	reason, I did not serve on the original board. Now, why was
13	that, Don, do you remember?
14	MR. KAVAN: You served on the original board and
15	then got reelected two years later.
16	MR. SABATKA: Oh, okay.
17	MR. KAVAN: Because when we switched over into the
18	54
19	MR. SABATKA: Okay, that's how it was.
20	MR. KAVAN: You bet.
21	MR. SABATKA: Okay, so originally, I was not on
22	it, but I've, of course, been here ever since. And we went
23	to David City. That's where the our meetings were, our
24	office. And then, we tried to got the office moved here
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1 that we attended the meetings at in David City. And, like 2 Don said, Al Smith was the manager. And so, we've been here 3 at Wahoo ever since, and remodeled this building. And it was kind of a hardware store when we bought it. We laid the 4 bricks out on the front and did a lot of the work ourselves. 5 6 And here we are today. 7 INTERVIEWER: Okay, Clint, I think you've kind of 8 caught on to what these guys are saying. 9 MR. JOHANNES: I can't really add anything to that 10 history, because I wasn't around then. 11 INTERVIEWER: What was your -- when did you start 12 and what was your involvement and what got you interested? 13 MR. JOHANNES: Well, I'd been working -- I don't 14 know if you really want to hear. 15 (Laughter.) 16 It's kind of a -- you're recording this? 17 INTERVIEWER: I'm recording this. If you don't 18 want to say it in public, don't say it. 19 MR. JOHANNES: Okay, I won't. How I got involved, 20 but basically, I got involved because I had interest. We 21 had a little bit of farm ground through the years and had 22 done work with the Lower Platte North people, with John, way back then in the David City office. And then there was an 23 opportunity out of it to --24 25 MR. SABATKA: Well, John wasn't at the David City

1 office. 2 INTERVIEWER: He was for a while, I think. 3 MR. SABATKA: Was he? MR. KAVAN: Yeah, John was hired to the David City 4 5 office. 6 MR. SABATKA: Oh, John, yeah. I was thinking of 7 Tom. 8 MR. JOHANNES: And I'd been with him, but there 9 was an opportunity. There was -- there wasn't an opening, 10 but they wanted some competition in one of the areas, so I 11 And in 1990, (indiscernible) NARD as John was and was ran. 12 chairman with that. Now, I'm with the Commission 13 (indiscernible). Been on the water committee most of the 14 time, here. Was on projects, I think. No, not projects, 15 what's the other one? O&E for a few years and then with 16 water. 17 INTERVIEWER: This is probably a question more for 18 Ron and Don here, but when you started, what did you think 19 the NRDs were? How did you understand the NRDs to --20 MR. KAVAN: They were -- the NRDs were -- they 21 were controversial. 22 INTERVIEWER: Oh, very. 23 MR. KAVAN: Let's put it that way, in 1972. But 24 when it finally come to be, then it was what I did. That 25 was me. I had everything I own as terraced. I've got two

1 dams on the place. And it was what I did, was conserve 2 moisture and soil, because that was the only thing I was 3 doing. I was farming. I was making a living off of 4 farming. And that's what was important to me, and it's 5 still important to me. But that's what got me started in 6 the first place, is that I wanted to terrace the ground, 7 save the soil, and conserve moisture so that we could have 8 better production. And in 1972, when we got 80 bushel of 9 corn, that was pretty good. 10 (Laughter.) 11 But the amazing thing about serving on the natural 12 resource district, and we're going to go back in history a 13 little bit, but when we started, we were having meetings 14 from 7:00 'til 1:00. And they lasted forever. And I -- for 15 the life of me, I can't figure out what we stayed there so 16 long for. MR. SABATKA: I don't know either why they've 17 18 lasted. 19 MR. KAVAN: We didn't have committee systems. 20 MR. SABATKA: Well, that's why (indiscernible). 21 MR. KAVAN: We hashed everything out at the 22 meeting. 23 And nothing was discussed before you MR. SABATKA: 24 got there, so you knew --25 MR. JOHANNES: Spent a long time talking it

1 through.

2	INTERVIEWER: Yeah. What about you, Ron. What
3	MR. SABATKA: Well, you know, in our watershed
4	meetings, this idea came up and there was talk about this.
5	And we voted, you know, and, boy, there was a lot of
6	dissent. There was really doubt about going that route, you
7	know. There's going to be big government and everything.
8	You know how that all goes. But, in the end, I think it was
9	the right decision. And I was for it right at the
10	beginning, and I don't really know why, but I guess, I
11	thought it would be progress, you know. And I really
12	believe that it is and it was. I think it was just the way
13	to go. And, like Don, I agreed, I always believed in soil
14	conservation. We got a lot of terraces and now we got a lot
15	of (indiscernible) terraces and stuff. Either you're for it
16	or you're not, you know. If you are and you believe in it,
17	that's why you do it, and that's why we stayed this long.
18	INTERVIEWER: What about you, Clint? What did you
19	understand about the NRDs in 1990, when you got first
20	started?
21	MR. JOHANNES: In 1990? Well, I tell you what I
22	didn't understand, that it was that there was so many
23	areas of responsibility. All I had seen up to that point
24	was conservation work and I didn't realize that of

1 important evidence tonight's meeting how important 2 groundwater is to --3 MR. SABATKA: Well, that's a new thing now, you know. When we started, that was no concern. 4 5 MR. JOHANNES: Wasn't even (indiscernible). 6 MR. KAVAN: Probably had one tenth the irrigation 7 that we've got today. 8 MR. SABATKA: Oh, yeah, and it's -- we're just 9 starting to get into it where it's really going to get --10 MR. JOHANNES: Other districts are ahead of us. 11 MR. SABATKA: Yeah, it's going to --12 MR. JOHANNES: Fortunately, we can learn from some 13 of the mistakes they made, and I think tonight we did the 14 right thing and --15 MR. SABATKA: Oh, absolutely. 16 MR. JOHANNES: -- we won't make as many mistakes 17 as some of the Republican and Upper Platte have made. Nothing against them. They just were into it sooner and 18 19 didn't have the benefit of --20 MR. KAVAN: Yeah, well, they didn't know what 21 route to go, either. 22 MR. JOHANNES: -- the knowledge that we have now 23 because of their involvement. INTERVIEWER: So, whoever, jump in here. 24 What about this evolution from Soil and Water Conservation to 25

1 these 12 responsibilities there are today? How did that 2 take place? What all happened? 3 MR. KAVAN: No till. No till is what changed 4 pretty much so everything. 5 MR. JOHANNES: Weren't the responsibilities so --6 when I came on in 1990, I think that list was already there. 7 There was --8 MR. KAVAN: Oh, yeah. That was set out by the 9 Commission. 10 MR. JOHANNES: -- didn't really get into --11 MR. SABATKA: But until it's a problem, it doesn't 12 become a problem. You got to do what happens at the time. MR. JOHANNES: Well, one of our authorities is 13 14 solid waste. And thank God we haven't gotten involved in 15 that yet. 16 (Laughter.) 17 MR. SABATKA: Well, that could change pretty fast. 18 You know, it's hard to find a place to build a dump. 19 MR. JOHANNES: We may be forced into that at some 20 point. 21 MR. SABATKA: And I hope I'm retired then. 22 INTERVIEWER: I think you're right, Clint. The 23 1972 law had all 12 of those responsibilities in it. None have been added. Now, they've been refined some. 24 25 MR. JOHANNES: And we've moved in, particularly

1 the water part of it, moved into that. Like you guys were 2 saying, that wasn't really an issue way back when. 3 INTERVIEWER: Moved heavily into management issues 4 in addition to building things. One of the things, when I 5 interviewed John a couple weeks ago, I asked him about the 6 move of the office from David City to Wahoo. And I said, 7 was that controversial? His response was, "Well, if you 8 call 11 to 10 vote controversial." You guys see that. 9 MR. SABATKA: The only way it happened was Loran 10 Schmit's son voted to have it here, and he was from David 11 City, and I don't know why he did that, but otherwise, it 12 would have never happened. 13 MR. JOHANNES: Oh, really, it was that close? 14 INTERVIEWER: He said, "I can remember it to this 15 day, exactly." 16 MR. KAVAN: There were five votes to have the 17 office over at Czechland Lake in Prague. 18 INTERVIEWER: Yeah. 19 MR. KAVAN: And the thing about it is, was the 20 staff says, "Absolutely not. There's no place to eat 21 there." 22 INTERVIEWER: Kolaches. 23 MR. JOHANNES: There is now. 24 MR. KAVAN: But, yeah, the staff says, "No, we 25 don't want to go there, because where are we going to get

1 lunch and what are we going to have to do?" But the selling 2 point was great, because we owned all the land. We could 3 have built an office there. We could have had machine sheds there. We could have had all our equipment there and it 4 5 would have been out in the open and we would have had all 6 the parking in the world. 7 INTERVIEWER: There's only two other NRDs that 8 moved their location that I know of, at least. Papio moved 9 their location, and that was an easy move, because they were 10 in a very poor place and they moved it to the lake. 11 MR. SABATKA: Maybe you shouldn't put that I said 12 Steve Schmit --13 INTERVIEWER: Okay. And the Nemaha moved their 14 office very early on from Syracuse to Tecumseh, but that was 15 very early. It might even have been before -- on the interim boards, because it was very early. 16 17 MR. SABATKA: Oh, yeah, it was a tough deal. Ιt 18 was --19 What other controversial issues have INTERVIEWER: 20 come before the board in the years that you've all been on 21 the board? 22 MR. JOHANNES: Well, the one, we talked about a 23 little bit tonight. We're not one to one, and we're a long 24 ways from one to one. 25 MR. KAVAN: Yeah.

1 MR. JOHANNES: And we're elected. All of us are 2 elected at large. 3 INTERVIEWER: Oh, you are. 4 MR. SABATKA: But we always have gone that route 5 because of the shape of our --6 MR. KAVAN: It works. 7 MR. JOHANNES: And I'm one that don't happen to 8 agree with that. I think Fremont elects us all, and I don't 9 think that's right, because they've got all the votes. 10 INTERVIEWER: Sure. 11 MR. SABATKA: You've got representatives from way 12 up. 13 MR. JOHANNES: Yeah. 14 MR. KAVAN: (Indiscernible) represent land area. 15 MR. SABATKA: Yeah, that's right. 16 MR. KAVAN: And we always talk about land area 17 rather than one to one. 18 MR. SABATKA: Right. 19 MR. KAVAN: And this is what -- it happens. And, 20 like, Ralph Pinkie (phonetic) makes a 110-mile trip, you 21 know, and if he wasn't there, then we'd have less directors, 22 of course, but --23 MR. JOHANNES: Well, he can still --24 MR. KAVAN: There's no representation (indiscernible). 25

1 THE INTERVIEWER: Yeah. As you're hearing, when 2 Bob Hilger (phonetic) asked you all to introduce yourself 3 and say where you're from, it was a distribution. 4 MR. KAVAN: Oh, yeah. We pretty well cover the 5 area. 6 MR. JOHANNES: It's caused by the way we're 7 organized. 8 THE INTERVIEWER: And only about three or four 9 from Fremont. 10 MR. JOHANNES: (Indiscernible) subdivision, we're 11 scattered all over. 12 MR. KAVAN: Yeah, it works out well for us right 13 now. 14 INTERVIEWER: One of the big things you've done 15 over the years is right out here, Wanahoo. And, you know, 16 what, seven million did I hear, still on that? 17 MR. JOHANNES: That is still due from the 18 development fund? I think it's nine million. 19 INTERVIEWER: Nine million? Okay. That's going 20 to take seven years John said. MR. JOHANNES: Yeah. 21 22 INTERVIEWER: And that's probably a little 23 optimistic. 24 MR. JOHANNES: I think in total, the development 25 fund will be providing, what is it, 12-point-something.

1 They're the largest contributor. The Corps, of course, is 2 I don't remember what their numbers are, but -second. 3 INTERVIEWER: And that was a long drawn out cause. 4 That started when Ray was here. 5 MR. SABATKA: Oh, yeah. Well, that's been talked 6 about forever. The thing used to be a railroad letdown, 7 what they called it. Well, you know how that is. That's 8 sacred. 9 INTERVIEWER: So, what do you guys think about the 10 project now that it's pretty much done and virtually done, I 11 guess? 12 MR. SABATKA: Oh, I think it's the greatest. 13 MR. JOHANNES: It's good. 14 MR. SABATKA: All the damage that's been done over 15 the years from here down to Ashland to the city and to the 16 fairgrounds and to the county, and sometimes three and four 17 times in a year it got flooded. 18 MR. JOHANNES: That and the recreation benefits --19 MR. SABATKA: The recreation benefit now and --20 originally, years ago, probably wasn't such a big thing, but 21 today it is. See, that's another thing that changed. 22 MR. KAVAN: Just in bridges and roads. 23 MR. SABATKA: In bridges and roads and -- you 24 couldn't get to town here many times. It was an island. 25 I've gone around myself. INTERVIEWER:

1 MR. SABATKA: Yeah, I have too. MR. JOHANNES: (Indiscernible) around Wanahoo 2 3 Creek and I'm going to Lincoln. 4 (Laughter.) 5 INTERVIEWER: Hopefully it isn't raining too much. 6 MR. SABATKA: I'm telling you, it's been talked 7 about forever and, you know, it --8 INTERVIEWER: So, what's your next big project of 9 that size? 10 MR. KAVAN: Well, Wahoo Creek, we're going to do a 11 lot of --12 MR. SABATKA: Wahoo Creek will be another big one, 13 yeah, that's the other branch. 14 INTERVIEWER: A bunch of dams, is that what you're 15 talking about? 16 MR. KAVAN: Well, hopefully so. 17 MR. JOHANNES: The emphasis now is on the water 18 quality, so in order to get funds to help, you got to have a 19 strong water quality benefit to it. And that's what we've 20 started with with that project. Of course, Lake Wanahoo, 21 that was done (indiscernible). 22 INTERVIEWER: And we all just smiled. 23 MR. SABATKA: Yeah, that's what you had to call 24 it. Originally, that wasn't the intent, but that's --25 INTERVIEWER: Other than big projects, what do you

1	see the NRD doing?
2	MR. JOHANNES: You heard tonight.
3	MR. SABATKA: This water things going to be
4	astronomical.
5	MR. JOHANNES: That's not going to go away.
6	MR. SABATKA: That's not going to go away. It's
7	going to get It's going to get more complex.
8	MR. JOHANNES: Particularly, if commodity prices
9	stay high, there's going to be more and more pressure to put
10	in more wells. And we got areas, I believe, just can't
11	tolerate a whole lot more wells. There are other areas can,
12	but we need to figure out which can and which can't and
13	then
14	MR. KAVAN: Floods will always occur. Mother
15	Nature always seems to exceed everything that we construct.
16	And if we don't do something about what destroys the land
17	through floods, then the problem will continue to be there
18	forever. So, our job is to recognize those problems and try
19	and generate the money to fix those problems. If it's
20	no-till, terraces, structures, that's where we're going to
21	have to be, because that's a natural resource that we need
22	to preserve.
23	INTERVIEWER: You mentioned water quality
24	potential. Where do you see the NRD going there in terms of
25	what you have to do?

1 MR. JOHANNES: Well, you only have 2 responsibilities for non-point source quality. And we've 3 got, in our groundwater management plan, we have primarily 4 focused on nitrates. And we've got two areas that are under 5 control right now, and one of them, Schuyler-Richland area, 6 even with those in place, continues to -- the nitrate levels 7 continue to rise, and so we're going to have to do something 8 there to -- that's going to be drastic. They'll hit the 9 next trigger point, I think, here soon. I think the other 10 things that they looked at statewide, and we're included in 11 that, other pesticides and insecticides. I don't think 12 they're really finding much problem other than nitrates. 13 And that will continue to be a focus. 14 INTERVIEWER: Far and away the biggest issue 15 statewide. 16 MR. SABATKA: Now these chemicals are changing so 17 rapidly. We're gone from one to another. That, you know, 18 it used to be, atrazine was a problem. Well, now --19 MR. JOHANNES: They don't use it now. 20 MR. SABATKA: Hell, that's an old thing. 21 MR. JOHANNES: That's a good point. 22 MR. KAVAN: That was the only one we had. 23 Yeah, and then for quite a while, MR. SABATKA: 24 that's the way it was, so, you know, you're getting a 25 buildup. But now you got so -- there's new ones every year.

1 INTERVIEWER: It was a real big issue in Shell 2 Creek at one time, atrazine. Huge isse. 3 MR. SABATKA: Yeah. Oh, really, and I thought, 4 well --MR. JOHANNES: There will be an issue in our 5 6 district with municipalities like we heard tonight with 7 their -- what was it, selenium and (indiscernible)? 8 MR. SABATKA: Yeah, that is going to get to be a 9 big thing, too. 10 MR. JOHANNES: They have nitrate problems as well, 11 and we may be forced into some more rural water to help 12 those little towns. 13 MR. SABATKA: And in these little towns, it's a 14 big problem. 15 INTERVIEWER: Yeah. 16 MR. SABATKA: You don't have enough people to justify and, you know -- and true, though, we knew that when 17 we went there. And I -- and in five years, there'll be less 18 19 people there than there is today, because those towns are 20 dying. That's just the way it is. 21 INTERVIEWER: I'd never heard of the selenium 22 issue in Nebraska before tonight. That's the first I'd ever heard of. 23 MR. JOHANNES: Yeah, but arsenic's been --24 25 INTERVIEWER: Arsenic is --

1 MR. JOHANNES: -- and what's the other one? The other one is --2 3 MR. SABATKA: Uranium. MR. JOHANNES: Uranium. (Indiscernible). 4 5 INTERVIEWER: I've heard -- (indiscernible). 6 There's some places in the state where copper is an issue, 7 too. 8 MR. JOHANNES: Oh, really? And it's so expensive 9 to treat that. 10 INTERVIEWER: Arsenic sounds bad. 11 MR. JOHANNES: Yeah, the arsenic sounds bad, it's 12 a poison. 13 MR. SABATKA: Yeah, I don't know how these -- how 14 we're going to be able to do it all. 15 MR. SABATKA: No. We haven't run into it, but our 16 neighbor to the north, they're putting in rural water 17 districts for quantity reasons. I guess that was part of 18 the issue at Bruno also. 19 INTERVIEWER: Sure. 20 MR. JOHANNES: But they're putting it in because 21 there's major rural areas that just can't get water anymore. 22 I hope that doesn't happen to us in our area that joins them 23 up there. Maybe what we did tonight can help avoid that. 24 INTERVIEWER: What about -- you mentioned the one 25 to one. What about the election issues over the years? Has

1 there been -- in some NRDs, there have been issues where 2 because of some issue of the board, there have been a bunch 3 of people have run on one issue. Has that happened here? 4 MR. JOHANNES: No. 5 MR. KAVAN: No, I don't ever recall that. 6 In fact, we rarely have MR. JOHANNES: 7 competition. Out of the nine districts each time, there 8 maybe one or two. 9 MR. KAVAN: I don't know why that is. 10 INTERVIEWER: That's very unusual, I think. 11 MR. SABATKA: Yeah, it is. 12 INTERVIEWER: So, what projects do you see coming 13 down the line now that you've mentioned Wahoo? Do you see 14 other things coming down the line? 15 MR. SABATKA: Well, Schuyler. 16 INTERVIEWER: What's the issue in Schuyler? MR. KAVAN: Wahoo Creek. 17 18 MR. SABATKA: Flooding. Yeah, Wahoo Creek --19 MR. JOHANNES: Well, and the Fremont --20 MR. SABATKA: Fremont, yeah. 21 MR. JOHANNES: Fremont on the north end 22 (indiscernible) eventually. They'll have to because of the 23 change in flood elevations and --24 MR. SABATKA: There's no shortage of problems. 25 (Laughter.)

1 INTERVIEWER: How's your -- what's your mill levy 2 now? 3 MR. KAVAN: We're at almost maximum. (indiscernible) --4 5 MR. JOHANNES: (Indiscernible). 6 MR. SABATKA: Yeah, with this dam and stuff we --7 INTERVIEWER: Four, five is the maximum you got. 8 MR. SABATKA: Yeah. 9 MR. JOHANNES: One mill for water quality. 10 MR. SABATKA: Yeah. 11 INTERVIEWER: Do you ever have anybody come and 12 testify against your budget? 13 MR. JOHANNES: Nobody comes to the budget hearing, 14 except board members. 15 MR. SABATKA: I guess we're doing a good job. 16 (Laughter.) 17 MR. KAVAN: I think that's typical. People 18 just --19 MR. SABATKA: Yeah, they don't understand it, 20 don't care. I don't know. 21 INTERVIEWER: Statewide, I think that's pretty 22 much the issue. Well, you're -- compared to the school 23 districts, you're small potatoes, frankly. 24 MR. SABATKA: Yeah, that's right. 25 MR. JOHANNES: Yeah.

1 Frankly, you are. INTERVIEWER: 2 MR. KAVAN: Well, I think the people see the 3 benefit of what we do and actually don't contest it. As long as it's going fine, they're not going to contest the 4 5 rates or anything like that. Because, Lake Wanahoo is an 6 absolute benefit to this area, and it's an absolute benefit 7 to everybody that lives down below it. And so nobody was 8 going to contest it, because it was needed. Lake Wanahoo 9 actually started in Morse Bluff, Nebraska. 10 Is that right? INTERVIEWER: 11 MR. KAVAN: Yes. There were seven dams proposed 12 to be set down Sand Creek --13 MR. SABATKA: Oh, in the --14 MR. KAVAN: -- Morse Bluff all the way to Wahoo. 15 And then that plan got turned down and then Lake Wanahoo 16 come up and that's when we started discussing a big one down 17 here. But that started when Wahoo come to us and asked us 18 to do something about water from Sand Creek, because it 19 closed off the town, sometimes three times a year. And they 20 says, we would like to have something constructed out here 21 so that doesn't happen anymore. So, that's where Ray 22 Hartung (phonetic) took off and started addressing the fact 23 that we need to do something, because we were asked by the 24 City Council and we did it. We started with Ray and we 25 started working on the project. And then it just kept

1 manifesting itself until we got it done. 2 I kind of retired in the middle of INTERVIEWER: 3 this process with Wanahoo, but did the city and the county follow through with their participation financially? 4 5 MR. SABATKA: To a certain extent. 6 MR. JOHANNES: They followed through, but not to 7 the extent that we thought they should. 8 MR. SABATKA: Not to the original. Well, there 9 was some controversy in the agreement. They agreed to go up 10 to one million dollars, but then in another deal, they said 11 they would pay a certain amount of it, you know. And then 12 it came to a hassle, you know. 13 MR. KAVAN: There was an Addendum H --14 MR. SABATKA: Yeah, the Addendum H. MR. KAVAN: -- that said they would go up to \$1.5 15 16 million. And that was signed by the County and then when 17 they settled with it, when we got into a controversy over 18 how much money they were supposed to pay and they settled 19 for the \$1 million, because that's what Addendum A said. 20 And all of the rest of the addendums were ignored because 21 they were supposed to pay some interest and all of that kind 22 of stuff, because the interest was eating us up is what 23 happened. And it's still eating us. But they quit at a million dollars and opt out of all the rest of the 24 25 addendums.

1 MR. JOHANNES: They each thought their obligation was a million dollars. We thought their obligation was a 2 3 third of whatever. 4 It was just a misunderstanding and MR. SABATKA: 5 an improper --6 INTERVIEWER: Yeah, that's what I originally 7 understood, a third, but --8 MR. SABATKA: You know, and we did get a cash 9 settlement. We just -- it was bad for the community, bad 10 for the area. You know, you got --11 INTERVIEWER: Bad publicity. 12 MR. SABATKA: -- bad publicity. 13 MR. JOHANNES: When neighbors complain, it's not 14 good. 15 INTERVIEWER: Not a good thing. I think Don has 16 pretty much said this, but when you -- well, all three of 17 you. When all three of you started with the NRD, you 18 thought the NRD was something and now you think a lot 19 different, I think. Talk about that a little bit, about how 20 this change has taken place fairly slowly. 21 MR. SABATKA: Well, the changes take place because 22 I mean, things come up and you take care of the of need. 23 problem of the day. You know, if you're a cattle feeder and 24 you got a sick steer, what do you do? You take care of that 25 critter first before you go on. And, you know, that's just

1 kind of --2 MR. JOHANNES: And like we said earlier, it's 3 evolved into the irrigation. MR. SABATKA: Yeah, whatever is popular. 4 5 MR. JOHANNES: Because that's expanded so fast, 6 and the expansion has caused problems for neighbors and so 7 that's been kind of a hot issue, at least for the last year, 8 which is a new issue. That wasn't an issue we were --9 MR. SABATKA: Well, every dry cycle --10 MR. JOHANNES: -- (indiscernible) asked for --11 MR. SABATKA: -- it gets a little worse. 12 MR. JOHANNES: I'm sorry? 13 MR. SABATKA: Every dry cycle, it gets a little 14 worse. 15 MR. JOHANNES: And 2012 was a killer. Why sure. And if we had one in 16 MR. SABATKA: another -- next year or whatever, it'll even be worse yet. 17 18 MR. JOHANNES: Yeah, because they have more wells in the mix. 19 20 More wells, more people. MR. SABATKA: 21 INTERVIEWER: What about staff? You started out, 22 I think, with Al Smith and Darla, I think was all you had. 23 And now you have a whole --24 MR. KAVAN: We had four. MR. SABATKA: It's just like anything else, I 25

1 guess. Well, it just multiplies, you know. 2 INTERVIEWER: How many staff do you have now? 3 MR. KAVAN: Well, with each responsibility that we 4 took on, we --5 MR. SABATKA: I think 18 or 19 or 20. Well, it's 6 close to 20, isn't it? 7 MR. KAVAN: Yeah, it's 19. Well, now with 8 Tyler --9 MR. SABATKA: Yeah, that's --10 MR. KAVAN: With Tyler, it's 20. MR. SABATKA: Yeah, that's what I thought. You 11 12 know, if you'd have said you're going to have 20 people 40 13 years ago, you'd say, no. 14 MR. KAVAN: But if you stop and think about things 15 that we're doing --16 MR. SABATKA: Yeah, I know. I know. MR. KAVAN: -- you got to have those --17 18 MR. SABATKA: I know, that's what I said, is -19 MR. KAVAN: -- because when we started, we had 20 four people and two of them were secretaries in the office, 21 and there's Al Smith and then an assistant manager. And 22 what did we do? We did terraces, we did waterways, and we 23 did just a little bit of conservation. And now, we do it 24 all. 25 INTERVIEWER: What about this. This came up

1 several times tonight about what the State is going to tell 2 you about the IMPs, the overappropriated areas. How does 3 the NRD work with that? How does that work for you? 4 MR. JOHANNES: We were declared -- we and some 5 other NRDs, fully appropriated back in 2008, I believe or 6 thereabouts. And it didn't quite look right to us when we 7 saw it, so we hired -- a group of us hired a consultant and 8 checked those numbers and determined there were some errors 9 in it. So the Department looked at it and said, yeah, 10 you're right, there are some errors. So, they reversed 11 Well, in that process, then, there was a concern that. 12 that, geez, if we were that close, all of us collectively, 13 there's going to be a rush of applications to add these 14 wells, so Senator Langemeier at that time, he had been on 15 this board. He saw this coming and said, "You know, we 16 don't want that to happen." So he offered up legislation 17 that (indiscernible) ended up passing that said, in the hydrologically connected area, you can only add 2,500 acres 18 19 a year, which is about what we had been adding in the last 20 year. So that's -- we added that, then, for the last --21 this would have been the fifth year -- well, the next would 22 have been the fifth year. I think that's right, the fourth 23 or fifth. (Indiscernible). One more year past the amount 24 that were in the legislation. And so this -- what we were 25 talking about tonight, this year, again, the Department will

1 make an analysis to determine -- not just us, but the whole 2 Lower Platte Basin, which is the Loups and the Elkhorns and 3 us, to see which parts of any of those basins might be fully They're talking about using a new 4 appropriated. 5 methodology. Frankly, I think they're probably not going to 6 They're going to use the old methodology, but in do that. 7 any case, they're going to tell us, by kind of sub area, 8 whether we -- each of those sub areas are fully allocated or 9 not, and, if they're not, how much, we had left to expand, 10 which to me is really important, really critical. That'd be 11 really good information to have. And so, I think that's why 12 what we did tonight is important that we slow down a little bit and get this into (indiscernible). 13 14 MR. SABATKA: Well, I agreed with that 100 15 I thought that was a good idea. percent. 16 INTERVIEWER: This came out a couple times tonight 17 about the relationship of ground and surface water. And 30-18 40 years ago, we never talked about that. 19 MR. JOHANNES: No, never even knew -- we didn't think there was any. 20 21 INTERVIEWER: Yeah. And there's still some 22 people --23 MR. JOHANNES: We don't have much surface water irrigation at all in our district. It's -- there's a little 24 25 bit and if the Department adjudicated what we have, we'd

1 have way less, virtually none. But, nevertheless, the laws 2 that creates the methodology to determine whether we're 3 fully allocated or not is based on what groundwater does to stream flow. And so it all comes back to stream flow. 4 And 5 that's what the old methodology and the new methodology will use, so that's why, when we were talking about ranking 6 7 tonight, the stream depletion factor, the amount that a well 8 takes water from the stream, is really critical. 9 MR. SABATKA: Yeah, that's going to be -- as time 10 goes on, it's getting to be a bigger problem all the time. 11 And your city people and those, they want to see water in 12 the river . 13 MR. JOHANNES: Well, and in, like, Lincoln and 14 Omaha, if there's not water in the river, they don't have water (indiscernible) --15 MR. SABATKA: Well, there's probably some down 16 17 below, but there's not as much as if the water was running 18 on (indiscernible). 19 MR. KAVAN: We supply water to half the population 20 of the state of Nebraska --21 MR. SABATKA: At least. 22 MR. KAVAN: -- that flows through our natural resource district on the Platte River. And that is critical 23 24 for the simple reason, we need to know how much water is out 25 there and how much of it we can use for irrigation, because

1 the last thing we want to do was run out of water. And if 2 we start running out of water like those people that were 3 here tonight, if half those people were out of water, and 4 some of the complaints that I'm getting in my area, if they 5 don't have water and they can't get water, and we're hearing 6 stories about 500 to 700 feet deep, then those people will 7 vacate that area. 8 MR. SABATKA: Well, can you drink that water that 9 comes from 700 foot depth? I mean, you can drink it, but, 10 boy, it's not going to taste very good. 11 MR. JOHANNES: No, I don't think so. I don't 12 think it's drinkable. 13 MR. SABATKA: Well, that's what I wondered. So 14 what depth --15 MR. JOHANNES: See, if they can't get water --16 MR. SABATKA: I guess you could take a bath in it. 17 MR. JOHANNES: -- they will vacate that area. 18 MR. SABATKA: Oh, sure. 19 MR. JOHANNES: And they -- and we'll lose the 20 population in the rural areas. 21 MR. SABATKA: These acreages around Brainard 22 and -- you think anybody's going to want to build a house 23 there and stay there, you know, if you can't get water? MR. JOHANNES: Well, that's what --24 25 MR. SABATKA: And there'll be more areas like that

1 as time goes on, I'm sure.

2	INTERVIEWER: What about the endangered species
3	stuff. You know, you got the Platte River, you got the
4	piping plover, the pallid sturgeon, least tern. Have those
5	affected you much at all? You dealt much with that?
6	MR. JOHANNES: Not really.
7	MR. KAVAN: There isn't too much we can do. Even
8	the study for the sand bar study, the sand bar moves from
9	one day to the next. And the piping plover, they're at the
10	mercy of the sand bar moving.
11	MR. SABATKA: It's amazing they lasted this long.
12	MR. JOHANNES: The people that are dealing with
13	that are involved in the Platte River Recovery Program, and
14	we're not involved
15	INTERVIEWER: It's your West, yeah.
16	MR. JOHANNES: That's Central Platte West, and
17	we're not involved in that. We're fortunate we haven't had
18	to really deal with those.
19	INTERVIEWER: You're fortunate the Loup River
20	saved you.
21	MR. SABATKA: Yeah, really.
22	MR. JOHANNES: I was listening to the guy from
23	City of Lincoln talk about, you know, where their water
24	comes from. And these numbers aren't exactly right, but the
25	Loup River provides I think it's, like, 70 percent. The

1 Elkhorn provides, like, 20 percent. That may not be quite 2 right, but the Platte, itself, only provides, like, 15-20 3 percent, because in the summertime, it's dry. 4 MR. SABATKA: Oh, yeah, for several months. 5 MR. KAVAN: Grand Island, it's really dry over 6 there. 7 MR. SABATKA: Yeah, there it is. 8 INTERVIEWER: Well, this summer when the Colorado 9 issue came up with all the rainwater, you know, until that 10 happened, the Duncan gage was zero. 11 MR. SABATKA: Yes. 12 INTERVIEWER: Nothing, but when you get to North 13 Bend, there's water. 14 MR. KAVAN: Yeah. 15 MR. SABATKA: Yeah. 16 MR. JOHANNES: And the Loup is fortunately a very 17 stable flow. 18 INTERVIEWER: One of the most steadiest in the 19 world. MR. SABATKA: Comes in and out of the Elkhorn. 20 21 MR. JOHANNES: The South Loup is the least, but 22 the other Loups, whatever they call them, they flow about the same year -- even through 2012, flowed about the same. 23 24 They're spring fed, right? MR. SABATKA: 25 INTERVIEWER: And even when they have a big rain,

1 they don't go up when they have a big rain. 2 MR. JOHANNES: No, no. Very little flooding on 3 it. INTERVIEWER: Yep, it don't flood. 4 5 MR. JOHANNES: Very stable. 6 INTERVIEWER: Several years ago, there was a big 7 rain and there was a gage on the North Loup right about 8 Highway 2, and above there, some rancher claimed he had 9 seven inches of rain. Now, maybe he did, maybe he didn't, 10 but he had a lot of rain, and that gage hardly moved. 11 MR. JOHANNES: That's amazing. It just soaks it 12 up just like a big sponge. 13 MR. SABATKA: That's sad. 14 MR. JOHANNES: We're really fortunate that that's 15 upstream from us. 16 MR. KAVAN: They could reclaim some of the 17 Colorado water when North Platte started absorbing the water 18 quite a bit. 19 MR. SABATKA: I would think. As dry as we were 20 and that. 21 INTERVIEWER: You may have seen it. There was a 22 picture and I think I saw it on television. Somebody had 23 taken a picture from an airplane looking west on the Platte 24 River, and I think somewhere around Columbus, above 25 Columbus, I know above the Loup. And the river down below

1 them was just dry. And you can just see that water 2 (indiscernible) --3 MR. KAVAN: Creeping in, huh? Just a line. 4 INTERVIEWER: 5 MR. SABATKA: It's like a tsunami. 6 MR. JOHANNES: I didn't see it myself, but they 7 said, ahead of that line of water was a line of darker 8 colored sand, and then the dry sand, so there was the dry 9 sand, then the wet sand, then the water. 10 INTERVIEWER: And there was a lot of stuff in 11 there, too. 12 MR. SABATKA: A lot of garbage. 13 MR. JOHANNES: It wasn't very drinkable. 14 MR. SABATKA: No. 15 MR. JOHANNES: In fact, I don't know if they've 16 released drinking -- or, you know, swimming area, not 17 drinking, but swimming and --18 MR. SABATKA: I think I heard just yesterday that 19 it's cleared out now and back to what it was. 20 MR. KAVAN: Back to where where it's usable. 21 INTERVIEWER: We're having some really strange, 22 you know, South Dakota and Colorado --23 MR. KAVAN: Hundreds of cattle died in that. 24 MR. SABATKA: Boy, it's just a lot. 25 MR. KAVAN: Tens of thousands.

1 MR. SABATKA: Oh, unbelievable and they're going 2 to get 12 inches of snow --3 MR. JOHANNES: There's more predicted? 4 MR. SABATKA: Yeah, for some of that area again. 5 MR. KAVAN: Wyoming's supposed have 6 (indiscernible). MR. SABATKA: Yeah. I don't know if it's tomorrow 7 8 or --9 INTERVIEWER: Well, I've about run out of 10 questions. You guys have anything that you want to say 11 about? 12 MR. JOHANNES: No. You're putting this into a 13 book or --14 INTERVIEWER: Well, it's going to be a -- we're 15 going to transcribe these recordings and they're going to be 16 put with the State Historical Society. I guess, I was 17 telling Ron and Don that before you came in, that the State 18 Historical Society, so I'll turn this off. 19 20 21 22 23 24 25