

BOARD OF EQUALIZATION

Madison, Nebraska

June 10, 2008

The Board of Equalization of Madison County, Nebraska met at 9:00 A.M.

Advance notice of meeting was published in the Thursday, June 5, 2008 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed. Chairman Rick Uhlir called the meeting to order and notified the public of the location of the information regarding the Open Meeting Act posted in the meeting room.

Present: Commissioners Jerry McCallum, Rick Uhlir, and Lee Klein, County Treasurer Donna Primrose, County Assessor Jeff Hackerott, and County Clerk Nancy Scheer.

Motion made by McCallum and seconded by Klein to approve the agenda for the meeting. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Motion made by Klein and seconded by McCallum to approve the minutes of the May 28, 2008 meeting. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Public hearing was opened at 9:01 A.M. regarding nine Form 451 real estate exemption application forms submitted on behalf of Norfolk Area Habitat for Humanity Inc. County Assessor Jeff Hackerott reported that this is the first time that Habitat for Humanity has filed exemption applications. He reported that there are nine applications for properties located in the City of Norfolk and seven of the properties are vacant lots.

Donna Rector, Executive Director of Norfolk Area Habitat for Humanity Inc. explained that the current treasurer suggested that the organization submit exemption applications. She stated that the organization could save approximately \$2,000 per year in real estate taxes for the undeveloped lots. She explained that the organization is non-profit and she volunteers for her position as executive director. Mrs. Rector reported that there are no paid employees and that employees from Norfolk Area Home Builders Association donate much of the construction work and many individuals and groups also donate time to assist with the home construction. In addition, she reported that sometimes the agency receives grant funding.

Chairman Uhlir questioned if some of the parcels had houses and Mrs. Rector responded that if any parcels had houses, they were condemned. County Assessor Jeff Hackerott reported that seven of the lots are vacant and that the property located at 1217 North 9th Street has a condemned house that needs to be demolished. Mrs. Rector reported that demolition has started on the house located at 1217 North 9th Street. County Assessor Jeff Hackerott also reported that Norfolk Area Habitat for Humanity also owns half of the duplex located at 116 Jackson Avenue. He explained that the state law requires that the property be owned and used exclusively for charitable, educational, or religious purposes and the vacant lots and house that has been condemned do not

COMMISSIONERS PROCEEDINGS

Madison, Nebraska

June 10, 2008

The Board of County Commissioners of Madison County, Nebraska met in regular session at 9:30 A.M.

Advance notice of meeting was published in the Thursday, June 5, 2008 edition of The Norfolk Daily News. A copy of said notice was mailed to each Board member. An affidavit of acknowledgment of receipt of notice of meeting as published was executed. Chairman McCallum called the meeting to order and notified the public of the location of the information regarding the Open Meeting Act posted in the meeting room.

Present: Commissioners Jerry McCallum, Rick Uhlir, and Lee Klein, and County Clerk Nancy Scheer. Planning and Zoning Administrator John Johnson was present from 10:26 A.M. to 12:17 P.M. County Highway Superintendent Richard Johnson joined the meeting at 10:04 A.M. County Attorney Joseph Smith was intermittently present throughout the meeting.

Chairman McCallum read the following consent agenda items into the record:

1) Approval of minutes of the May 28, 2008 meeting

2)

RESOLUTION #2008-34

WHEREAS, Check No. 08050510, dated May 28, 2008, and drawn on the Noxious Weed Fund in the amount of one hundred sixty dollars and twenty cents (\$160.20), was made payable to Arkfeld Mfg. and Distr. Co. Inc., 1230 Monroe Avenue, Norfolk, Nebraska 68701, and

WHEREAS, said check was not tendered, but remains in the possession of the Madison County Clerk,

NOW, THEREFORE, BE IT RESOLVED that Check No. 08050510, dated May 28, 2008, and drawn on the Noxious Weed Fund in the amount of one hundred sixty dollars and twenty cents (\$160.20), is hereby cancelled.

3) Approval of Schuit, Schmit, Aschoff Lot Split located in NE¹/₄ Section 22-23-3

4) Approval of Interlocal Cooperation Agreement with the City of Columbus for E-911 Enhanced emergency telephone service

Motion made by Klein and seconded by Uhlir to approve the consent agenda. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Motion made by Klein and seconded by Uhlir to approve the regular agenda. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The County Board reviewed the following reports:

- 1) Fund balance report
- 2) Clerk of the District Court May fee report

County Highway Superintendent Richard Johnson reported that he spoke with Barry Harper regarding drainage on the north side of County Line Road and Mr. Harper stated that he didn't want to appear before the Board. He stated that Mr. Harper has drainage concerns and he would like the county to look at the drainage problem. Chairman McCallum stated that Road District #1 previously resolved a drainage issue at this location for Mr. Harper and his road foreman will investigate and provide the appropriate resolution to the issue.

The Board discussed the Spring Branch drainage project. Allen Sievertsen, General Elkhorn Valley Ethanol General Manager, Doug Caskey, Elkhorn Valley Ethanol Plant Manager, and Ryan Koinzan, Elkhorn Valley Ethanol Commercial Manager, were present for discussion on this issue.

County Highway Superintendent Richard Johnson reported that when the ethanol plant was planned discussion was held regarding a proposal that Elkhorn Valley Ethanol, the City of Norfolk, and Madison County participate in a joint project to fix the drainage problem in this area. He stated that he submitted a letter of commitment that was signed by Pete Brummels of Elkhorn Valley Ethanol and approved by Norfolk City Mayor and the Madison County Board in February 2005 and talks about a \$3 million drainage project that would be split equally. He stated that, in his opinion, \$3 million was excessive. He explained that he is of the opinion that some bridges were removed on Victory Road that should not have been removed and were replaced with a 24 inch culvert. Mr. Johnson reported that there have discussions regarding this issue over the years and Kirkham Michaels has

prepared a set of plans which is basically a drainage channel starting one-half mile east of Victory Road, coming under Victory Road through a quadruple 12 x 6 box culvert, then continuing west to the railroad, and going under five box 10 x 6 culverts. He explained that the original proposal was to bore thirteen or fourteen additional 48-inch RCVs under the road and he put a halt to that plan. He further explained that once the drainage went under the railroad it would wind around Norfolk Iron and Metal's land and end up in Spring Branch. He stated that he had discussion regarding potential detention and he is still working on that issue. He stated that the City of Norfolk was originally running this project and as they kept working more on it, Norfolk City Attorney Clint Schukei took the position that, if the project was going to be done, it needed to be initiated by the county. He stated that the City of Norfolk could put money into the project if they wanted, but the project needed to be initiated and completed by the county.

County Highway Superintendent Richard Johnson explained that the first step that must be done if the county proceeds with the project is to have a petition for drainage assistance signed by one or more of the affected landowners in the drainage area. He reported that a petition was drafted and presented to the affected landowners of Paul McIntosh, Elkhorn Valley Ethanol, Norfolk Iron and Metal, and Doug Stevens. He stated that the petition was presented to all the landowners and the only landowner that signed it was Paul McIntosh. Mr. Johnson officially submitted the petition for filing in the county records. He reported that he and Norfolk City Engineer Dennis Smith are trying to finalize the agreement between Norfolk City, Elkhorn Valley Ethanol, and Madison County to participate in funding the project. He explained that when this happens he will present the agreement to Allen Sievertsen for review by their company. He explained that the reason that this drainage is coming forward is because the county wants to proceed with construction work on Victory Road and the road leading into the ethanol plant. He stated that the road construction plans are almost complete except for a decision on the drainage structure and what can be done with the drainage project.

Chairman McCallum questioned what the Corp of Engineers is saying about dumping into Spring Branch. County Highway Superintendent Richard Johnson responded that the Corp of Engineers looked at the proposed drainage route and the only location that they could find wetlands is at Spring Branch. He explained that the proposed plan will change the course of the drainage and that they can't proceed with the road construction work until the drainage issue is resolved.

Allen Sievertsen stated that this issue initiated his contact with Richard Johnson because the ethanol plant needs the east-west road due to the dust that is caused. He explained that the air permit for the ethanol plant requires that fugitive dust that blows onto their property from the road is okay as long as it doesn't leave their property. He reported that on some of the windy days the wind comes off the road when a truck drives up it and a cloud of dust is formed that is carried off their property to the north. He stated that the Dreyfus Company has nothing to do with the drainage issue because that falls back to the county and city. Mr. Sievertsen explained that the letter that Richard Johnson is talking about doesn't involve Dreyfus or Elkhorn Valley Ethanol in terms of specifying the drainage, but it only talked about a financial commitment. He stated that the letter stated that the drainage was intended to allow the ethanol plant to be built and obviously the plant is built and the drainage isn't done. He explained that Dreyfus spent substantial sums of money to complete drainage on their site including a big storm retention pond. He stated that drainage is not an issue to them because they already spent money to complete drainage to build the ethanol plant. Mr. Sievertsen stated that they fall back to the issue of what to do with the water runoff coming off of the field south of the plant and east of Victory Road. He explained that there was a good example of this because the water made a large lake and it took some time for the water to go under the road before it ran north to the railroad track and then it followed the railroad track to the

creek. He reported that most of the water drained out by the following day. He stated that he is primarily interested in getting the east-west road completed to facilitate truck traffic and they have an agreement with the county to pay for half of the costs. He reiterated that the ethanol plant issue is to get the east-west road constructed and then if it takes additional time to work out details for Victory Road that is fine.

Commissioner Uhlir questioned if the road goes all the way around the plant and comes out on the other end and County Highway Superintendent Richard Johnson responded that the paving will go to the substation and stop. Mr. Sieverson stated that the road construction season is already upon them and that is his primary focus to get the east-west road completed.

Commissioner Klein questioned if the ethanol plant would participate in the drainage project and Mr. Sievertsen responded that he couldn't speak to that issue. County Highway Superintendent Richard Johnson explained that the agreement must get drafted and submitted to Elkhorn Valley Ethanol so they can make a decision on participation in the funding. Chairman McCallum questioned if the drainage issue was included on the purchase and Mr. Sievertsen stated that the drainage was included; however, the drainage has been 100% completed by Dreyfus as opposed to participation with the county and city based on the agreement that was signed. He stated that it is potentially like a new ballgame and he is not a lawyer. He explained that one thing that is worth considering is the study that Kirkham Michael put together which he has not seen. He questioned if such an elaborate drainage system was required.

County Highway Superintendent Richard Johnson stated that he inspected the area one afternoon after a storm and the water was up to the edge of the asphalt and was flooding approximately 10 acres of McIntosh's land and about 40 to 50 feet of the eastbound lane going into the ethanol plant was under water. Chairman McCallum questioned who has the final say on what type of drainage is required and County Highway Superintendent Richard Johnson responded that, in his opinion, the County Board has the final decision.

Chairman McCallum questioned if the Corps of Engineers could have a decision on determining if a drainage plan is inefficient. County Highway Superintendent Richard Johnson responded that the Corp of Engineers does not have any interest in the project because the county is not affecting any wetlands. He explained that there is the possibility that one or more downstream landowners may be affected. He stated that, in his opinion, the County Board has the right to decide what they are going to do and at some point the Board must approve the plans.

Commissioner Uhlir questioned if the drainage is doing any damage to the railroad tracks. Chairman McCallum stated that the drainage hasn't changed and is taking the same course as prior to the plant construction. County Highway Superintendent Richard Johnson stated that there isn't more runoff because the ethanol plant is required to contain all the storm water on their property, but as far as affecting the entire area, when the plant was constructed some of the storage areas were filled in. He stated that he thinks that at one time there was a 30-foot bridge located on Victory Road that was replaced by a 24-inch culvert that sits slightly higher than the bottom of the ditch. He reported that there are drainage problems that must be resolved before Victory Road can be constructed.

Commissioner Klein questioned if the east-west road could be constructed before Victory Road is completed. County Highway Superintendent Richard Johnson responded that work could be completed on the east-west road assuming they are far enough along on the drainage plan. He explained that part of the Victory Road project will be running triple 24-inch concrete pipe under the ethanol plant driveway and extending far enough so it won't impact a power pole with the idea that it will get to the

drainage way that is built. He stated that if this plan becomes the final resolution then the east-west road could probably be built. Mr. Johnson stated that he didn't think there would be circumstances that anything significant could change on the drainage that would impact the plan. He stated that the county could theoretically get better prices if everything was completed as one large project.

Chairman McCallum stated that it seems that the county isn't making any headway on this project. Mr. Sievertsen stated that the ethanol plant has an interest in the east-west road because they need it for their business and if it will not affect the Victory Road project, then it would be beneficial for the county to move forward to get the east-west road project completed by early fall. He stated that Richard Johnson has some good ideas on completing the drainage project without the elaborate drainage system that was developed by other engineers. He explained that it is better for the county and the city because the less money that is spent to accomplish the drainage project, the better is it for everyone's budget. He stated that his entire purpose is to encourage the county to proceed on the east-west road construction.

Chairman McCallum questioned if there is cost sharing on the east-west road project and County Highway Superintendent Richard Johnson responded that Elkhorn Valley Ethanol is paying for 50% of the project costs and Madison County and Norfolk City are each paying 25% of the costs. Commissioner Klein questioned if the City of Norfolk would pay their share of the costs if only the east-west road is completed and not Victory Road and County Highway Superintendent Richard Johnson responded that he did not know the answer.

Allen Sievertsen reported that the original letter did not incorporate the east-west road project; however, this was a separate agreement completed in May 2006. He explained that the original letter on the drainage project was signed in February 2005. He stated that the county could make a case that the two projects are not linked.

County Highway Superintendent Richard Johnson reported that there hasn't been any formal agreement between the three entities regarding building a road. He explained that if the County Board directs him to draft an agreement on the road construction project, he would try to do this.

Commissioner Klein stated that, in his opinion, everything must be formal and documented in writing. He stated that the county's thoughts on the drainage project are one idea and Elkhorn Valley Ethanol's thoughts are different, but there is a significant amount of money involved.

Chairman McCallum questioned if County Highway Superintendent Richard Johnson completed his own assessment of the drainage and Mr. Johnson responded no. County Highway Superintendent Richard Johnson stated he has requested additional information on the retention portion of the drainage project because this is the only portion that would allow the county to save money. Allen Seiversen stated that he wants the drainage project completed with the easiest, most cost effective plan.

After discussion, it was moved by Klein and seconded by Uhlir to acknowledge receipt of the petition requesting county assistance and direct County Highway Superintendent Richard Johnson to investigate the facts set forth in the petition and submit a recommendation to the County Board within 30 days. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Pursuant to published legal notice to bidders in the May 29, 2008 and June 5, 2008 editions of The Norfolk Daily News, sealed bids for application of armor coat surfacing and aggregate sweeping of certain roads in Madison County for the 2008-2009 fiscal year were received. Bids submitted by the following companies were opened and read aloud:

The Road Guy Construction Company, Inc.	Yankton, South Dakota
Topkote, Inc.	Yankton, South Dakota

After discussion, it was moved by Klein and seconded by Uhlir to award a contract to The Road Guy Construction Company for the application of armor coat surfacing and aggregate sweeping of county roads for the 2008-2009 fiscal year and authorize the Board Chairman to execute a contract with the company. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Pursuant to published legal notice to bidders in the May 29, 2008 and June 5, 2008 editions of The Norfolk Daily News, one sealed bid for road striping certain roads in Madison County for the 2008-2009 fiscal year was received from Pogue Construction Inc. of Stromsburg, Nebraska.

After discussion, it was moved by Klein and seconded by Uhlir to award a contract to Pogue Construction, Inc. for road striping county roads and authorize the Board Chairman to execute a contract with the company. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Pursuant to published legal notice May 24, 2008 edition of The Norfolk Daily News, Chairman McCallum opened a public hearing at 10:16 A.M. to receive comments regarding the issuance of Hospital Revenue and Refunding Bonds, Series 2008 by Hospital Authority No. 1 for Faith Regional Health Services.

Lauren Wismer, attorney for the law firm Gilmore & Bell and bond counsel for Faith Regional Health Services, was present to seek approval of the County Board for the purposes of Section 147f of the Internal Revenue code. He explained that, since the proceeds of the bonds will be used by a nongovernmental entity, the Internal Revenue code requires that a public hearing be held on the issuance of the bonds. He reported that proper notice of the hearing was published in the Norfolk Daily News and this is the time and place set for the public hearing. He explained that the bonds will be issued by the Hospital Authority and the County Board serves as the highest elected representative for the purposes of the Internal Revenue code; therefore, its appropriate for the County Board to hold the public hearing and approve the bonds upon conclusion of the public hearing. Mike Hammond, interim president of Faith Regional Health Services, Dale Pohlman, chief executive officer of Faith Regional Health Services, and Dale Wismer, controller of Faith Regional Health Services were also present at the hearing to answer any questions concerning the project or the financing.

Chairman McCallum questioned what the total amount of the bond issue was and Lauren Wismer responded that the total amount of the bonds has not been established, but it will not exceed \$88 million. He stated that part of the bond issue would refund the two outstanding bond issues of Faith Regional Health Services, which include \$10 million outstanding from the 1998 bond issue and \$13 million outstanding from the 2001 bond issue. In addition, he explained that approximately \$57 million would be borrowed to construct a new addition to the hospital. He explained that the addition would consist of a four-story structure with approximately 200,000 square feet. Commissioner Klein questioned if there was any obligation on the part of the county and Mr. Wismer responded no. Mr. Wismer further explained this obligation is known as a conduit bond, which means that neither the county nor the hospital authority is liable in any way for the payment of the principle and interest on the bonds. He stated that the investors who purchase these bonds understand that the hospital is responsible for making the payments for the principal and interest and they are looking to the credit of the hospital for repayment of the bonds.

Mike Hammond, interim CEO of Faith Regional Health Services, explained that the bed tower project was investigated six to seven years ago with the continued growth at the hospital. He stated that during these past years the hospital realized that its capacity had been stretched numerous times due to lack of room availability. He reported that as recently as three months ago Faith Regional had 56 patients waiting for a bed during a one-month time period. He stated that the bed-tower study completed in 2001 and 2002 indicated to Faith Regional that there would be continued growth through 2010 and a certain amount of bed capacity use and the hospital has currently exceeded these projections. He stated that the hospital is running one to two years ahead of what the study reflected. Mr. Hammond explained that the hospital worked with the medical staff and an architect to plan a four-story addition to Faith Regional. He stated that this project would also allow for private rooms. He reported that the hospital currently has 33 semi-private rooms and they are very inadequate with today's technology. He reported that the entire facility would be using the existing hospital as the rooms are converted. Mr. Hammond stated that the new addition would bring 111 new rooms to Faith Regional and would extend their license by an additional 23 rooms when the project is completed. In addition, he explained that the fourth floor would be shelled in to allow for the expansion of 39 additional rooms in the future. He reported that there would be more square footage in the bed tower than there currently exist in the entire hospital. Mr. Hammond explained that Faith Regional is working in a collaborate effort with Northeast Community College nursing school project because the facility is needed to allow the nurses entering into the nursing school program to be trained.

No one appeared at the hearing to express opposition to the issuance of Hospital Revenue and Refunding Bonds, Series 2008 by Hospital Authority No. 1 for Faith Regional Health Services. Chairman McCallum closed the hearing at 10:24 A.M.

After discussion, the following resolution was introduced:

RESOLUTION #2008-35

A RESOLUTION APPROVING THE ISSUANCE, SALE AND DELIVERY BY HOSPITAL AUTHORITY NO. 1 OF MADISON COUNTY, NEBRASKA OF ITS (A) HEALTH CARE FACILITIES REVENUE AND REFUNDING BONDS (FAITH REGIONAL HEALTH SYSTEM PROJECT), SERIES 2008, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED EIGHTY-EIGHT MILLION DOLLARS (\$88,000,000) IN ONE OR MORE SERIES FOR THE PURPOSES OF SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND RELATED MATTERS

BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF MADISON, COUNTY, NEBRASKA AS FOLLOWS:

Section 1. The Board of Commissioners (the “**Board**”) of Madison County, Nebraska (the “**County**”) hereby finds and determines as follows:

(a) Notice of a public hearing was published in the *Norfolk Daily News* on May 24, 2008 concerning the proposal by Hospital Authority No. 1 of Madison County, Nebraska (the “**Authority**”) to issue its Hospital Revenue and Refunding Bonds (Faith Regional Health Services Project) in one or more series (collectively, the “**Bonds**”), in accordance with the provisions of the Hospital Authorities Act, Sections 23-3579 to 23-35,120, inclusive, Reissue Revised Statutes of Nebraska, as amended (the “**Act**”)

(b) Pursuant to said notice, a public hearing on such proposal to issue the Bonds on behalf of Faith Regional Health Services, a Nebraska nonprofit corporation (the “**Borrower**”), has been conducted by the Board at the time and place as specified in said notice and all persons who appeared were given an opportunity to express their view, for or against the proposal to issue the Bonds.

(c) All objections or other comments relating to the issuance of the Bonds have been heard and have been duly considered by the Board in connection with the adoption of this Resolution.

(d) (1) A general functional description of the type and use of the project (the same being to (a) pay the costs of constructing, equipping and furnishing an approximately 200,000 square foot, four-story addition to the Borrower’s existing hospital facility located at 2700 Norfolk Avenue, Norfolk, Nebraska, and (b) provide for the payment and redemption of (1) \$10,890,000 outstanding principal amount of the Authority’s Hospital Revenue and Refunding Bonds (Faith Regional Health Services Project) Series 1998, issued to refinance certain outstanding indebtedness of the Borrower and to pay the costs of additions and improvements to the Borrower’s facilities and (2) \$13,785,000 outstanding principal amount of the Authority’s Hospital Revenue Bonds, Series 2001 (Faith Regional Health Services Project) issued to pay the costs of additions and renovations to the Borrower’s facilities located at 2700 Norfolk Avenue and 1500 Koenigstein Avenue, Norfolk, Nebraska) has been accurately described in said notice of hearing and is hereby approved; (2) the maximum face amount of the Bonds has been accurately described in said notice of hearing and is hereby approved; and (3) the initial owner, operator or manager of said facilities has been accurately described in said notice of hearing and is hereby approved.

(e) The governing board of the Authority met in public session on June 2, 2008, at 1:30 p.m., in the Niobrara Conference Room, Faith Regional Health Services West Campus, 2700 Norfolk Avenue, Norfolk, Nebraska, at which time the Authority's governing board authorized and approved the issuance and delivery of the Bonds and authorized and approved the execution and delivery of the documents relating to the Bonds.

Section 2. As required by and solely for the purposes specified in Section 147(f) of the Internal Revenue Code of 1986, as amended (the "**Code**"), the issuance by the Authority of the Bonds in an aggregate principal amount not to exceed \$88,000,000 on such terms and conditions as shall be subsequently determined by the Authority, or its authorized representative, is hereby approved. The Bonds will be special, limited obligations of the Authority payable solely from payments to be received by the Authority pursuant to one or more Loan Agreements, dated the date of its execution and delivery (the "**Loan Agreements**"), between the Authority and the Borrower. The Bonds will be issued under and pursuant to one or more Trust Indentures, dated the date of its execution and delivery (the "**Indentures**"), between the Authority and Wells Fargo Bank, National Association, as trustee (the "**Trustee**"). As security for the payment of the Bonds, the Borrower will pledge to the Trustee, as deed trustee, certain real and personal property owned by the Borrower pursuant to the terms of a Deed of Trust and Construction Security Agreement (the "**Deed of Trust**"). The principal or redemption price of and interest on the Bonds are payable solely from (a) amounts to be paid to the Authority under the Loan Agreements and (b) amounts received by the Trustee under the Deed of Trust. The Authority shall not, in any event, be liable for the payment of the principal or redemption price of or interest on any of the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Authority except to the extent that (1) money pledged and assigned under the Loan Agreements and (2) money received by the Trustee pursuant to the Deed of Trust are sufficient therefor.

The Bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory provision, nor a liability or general obligation of the Authority, the County, the State or any political subdivision thereof or a pledge or loan of the faith and credit of the Authority, the County, the State or any political subdivision thereof. None of the Authority, the County, the State or any political subdivision thereof shall be obligated to pay the principal of or interest on the Bonds except from the special funds pledged therefor; and neither the faith and credit nor the taxing power, if any, of the Authority, the County, the State or any political subdivision thereof is pledged for the payment of the principal of the Bonds or the interest thereon or other costs incidental thereto. Nothing in the Bonds, the Loan Agreement, or the Deed of Trust shall be construed as pledging any other funds or assets of the Authority. None of the County, the State, or any political subdivision thereof shall in any event be liable for the payment of the principal or redemption price of and interest on the Bonds or for the performance of any pledge, obligation or agreement undertaken by the Authority.

Section 3. The approval granted hereby is solely and only for the purpose of satisfying the requirements of Section 147(f) of the Code. Such approval is not intended, nor should it be construed, to constitute final approval of the issuance of the Bonds or a commitment of any kind on the part of the County, or any official or officer thereof, to issue the Bonds. The approval granted hereby is not intended, nor should it be construed to constitute any review or approval by the County, or any official or officer thereof, of the credit of the Borrower, nor any type of guaranty by the County, or any official or officer thereof, of repayment of all or any part of the Bonds.

Motion made by Uhlir and seconded by Klein that the foregoing resolution be adopted. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Pursuant to published legal notice in the May 29, 2008 and June 5, 2008 editions of the Norfolk Daily News, Chairman McCallum opened a public hearing at 10:26 A.M. to receive citizens' comments regarding a petition filed on behalf of Donald Holloway to serve as a trustee for Hospital Authority No. 1. County Clerk Nancy Scheer reported that the petition was signed by 30 registered voters and that the signatures were verified and met the statutory requirements of a minimum of 25 valid electors within the Hospital Authority No. 1. She also reported that the notice of the public hearing was duly advertised as required by state law. No one was present at the hearing to speak in opposition or support of the petition.

Chairman McCallum closed the hearing at 10:28 A.M. After discussion, the following resolution was introduced:

RESOLUTION #2008-36

BE IT RESOLVED by the Board of Commissioners of the County of Madison, in the State of Nebraska, as follows:

Section 1. The Board of Commissioners hereby finds and determines that, pursuant to Section 23-3591 Nebraska Revised Statutes, there has been placed on file with the Madison County Clerk, a petition nominating the following person to serve as Trustee for Hospital Authority No. 1 of Madison County, Nebraska:

<u>NAME</u>	<u>RESIDENCE ADDRESS</u>
Donald Holloway	204 Westridge Drive, Norfolk, Nebraska 68701

Section 2. That said petition is in proper form and has been signed by not less than twenty-five registered electors of Madison County, being also registered electors residing within the boundaries of said Authority;

Section 3. That the Madison County Clerk has set the time for hearing on said petition and has caused notice of such hearing to be published on the same day in each of two successive weeks in a newspaper of general circulation within the territory of Hospital Authority No. 1 of Madison County, Nebraska;

Section 4. That the Board of Commissioners has conducted a hearing upon said nomination and that after hearing comments from the public, the following person is hereby appointed as Trustees of Hospital Authority No. 1 of Madison County, Nebraska for a term of six years:

<u>NAME</u>	<u>RESIDENCE ADDRESS</u>
Donald Holloway	204 Westridge Drive, Norfolk, Nebraska 68701

Motion made by Klein and seconded by Uhlir that the foregoing resolution be adopted. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Pursuant to published legal notice in the Saturday, May 31, 2008 edition of The Norfolk Daily News, Chairman McCallum opened a public hearing at 10:31 A.M. regarding the conditional use permit application of Henn House Dairy Inc. to renew and expand a dairy operation located in Sections 19-24-2 and 24-24-3.

Planning and Zoning Administrator John Johnson read the Finding of Facts and the proposed conditions of the permit that were unanimously approved by the Planning Commission.

Ken Bierman stated that he lives one-eighth mile north of the Henn House dairy and has no problems with the expansion. He stated that Mike Henn works well with him and if there is a problem it gets addressed.

Mike Amen stated that he lives east of the Henn House dairy and operates his own dairy. He stated that he is in favor of the Henn House dairy expansion and he has no problems with it.

Ken Amen reported that he lives east of the Henn House dairy and he has had a relationship with the Henn family that dates back to 1956 when he moved to the area. He stated that Mike's parents, Roger and Marge Henn, operated the dairy and he never had a problem with anything that took place. He reported that if there was anything that ever arose all he needed to do was visit with the owners and the problems were taken care of. Mr. Amen explained that he was not opposed to the dairy expansion. He stated that the county only has a few dairy operations left, in, so when someone comes along that has the stamina and ability to run a dairy operation, they should definitely be approved to operate it.

Mike Henn stated that he is the owner and operator of Henn House Dairy Inc. He stated that he is a second-generation dairy farmer and his son has indicated that he wants to be a dairy farmer. He stated that the primary goal is to set the facility up for the future. He stated that he feels that he has been extremely responsible when it comes to his neighbors and he thinks that if any neighbor ever showed up at his doorstep with a problem or issue that the dairy operation created, he has addressed the problem. He explained that he takes the relationship with his neighbors very seriously because he doesn't want to infringe upon them to profit from anything that is a disadvantage to the neighbors. Mr. Henn stated that he started the first expansion to the dairy operation in 1997 by applying for a grant through Madison County for an economic development loan for \$500,000. He reported that the grant was approved in the amount of \$520,000 and he has never missed a payment on the loan. He reported that he has paid \$138,000 in interest and \$195,000 in principal, so the county has already received approximately \$300,000 from repayment of the economic development loan. In addition, he reported that since 1997 he has paid \$130,000 in property taxes. Mr. Henn stated that his dairy operation has a lot of buildings, infrastructure, and concrete. He stated that since 1997 the operation has generated \$31 million of revenue from the 80-acre parcel, with 95% of this being milk revenue that gets exported out of the state. He stated that in 1997 the annual payroll for the operation was \$150,000 and now the payroll exceeds \$600,000 annually. He explained that he intends to hire more people as the facility expands. Mr. Henn stated that since 1997, the operation has spent approximately \$10 million in feed purchases and 75% of these costs come from Madison County. He stated that the dairy operation specifically targets the types of businesses that can accommodate progressive nutrition. He reported that

he must go outside the county for the large commodities, such as soybean meal and corn because Madison County does not have the mills to satisfactorily process it. Mr. Henn explained that this is a great opportunity for him to work on something that was somewhat speculative when he started the first expansion project. He stated that many people didn't know whether the dairy operation would be successful and it is thriving and now he has the opportunity to improve the operation and bring another generation into the operation. He explained that it is advantageous to being another generation back to the farm because there are very few dairy operations left in the State of Nebraska and even fewer in Madison County. Mr. Henn stated that he would continue to deal with issues as they arise with any neighbors as long as they are willing to come to him and tell him what issues they have with the operation. He stated that he is more that willing to work with the neighbors and he never shuts the door on neighbors if they have a complaint. He requested the Board to approve this expansion request and he stated that he appreciates the opportunity that Madison County has given him. He stated that this expansion is an ongoing project that will be completed in stages and he will involve the neighbors throughout the entire process.

Commissioner Uhlir questioned the road situation with regard to hauling the manure. He stated that he knows that the roads need shoulder work in this area. Mike Henn stated that remembers that he was in grade school when the county oiled the road past the dairy operation and it hasn't been touched since. He reported that in the spring he has Matteo Sand & Gravel haul gravel onto the road north of the operation because they haul manure on it. In addition, he reported that they haul manure west past the Ken Amen farm and when the road gets soft they stop hauling. Commissioner Uhlir stated that he wants Mr. Henn to be aware that the county is in the process of trying to get the roads fixed; however, it takes money. Mr. Henn responded that he understands the problem. He reported that they use a custom applicator to pump the manure and that is the most efficient way for their operation and the least stressful on the county roads. He explained that they would be forced to look at a system that will reuse the manure for bedding and composting because economics will force them to do this.

Planning and Zoning Administrator John Johnson questioned if Mr. Henn was looking at a methane digester system. Mr. Henn responded there is much fanfare about methane digesters and he went to Wisconsin and looked at two systems on 2,500 cow farms. He stated that the digester systems are not efficient with this low number of cows. He stated that with increasing electricity costs the picture on the efficiency of digester systems would change.

Karen Reed, daughter of Bob and Mary Tiedgen, spoke in opposition to the application. She stated that her parents are the owners of Wendts Lake. She explained that the farm has been in the family for 134 years and they want to continue to keep it in the family so she is next generation in line to be concerned about the farm. She read a letter written by Bob and Mary Tiedgen that expressed opposition to the proposed plan to expand the Henn's Dairy. The letter stated that the Tiedgens own 138 acres of river bottom farm one mile west of the dairy, which consists mainly of water and sand with 52 acres of farm ground. It stated that this farm, known as Wendts Lake, has been in the family for 134 years and has a small cabin located on it that is shared with 5 kids, 19 grandkids, and approximately 21 great-grandkids. In addition, the letter stated that the property is used for duck hunting, Boy Scout camps, class reunions, wedding receptions, neighborhood gatherings, and other activities. The letter reflected that

manure is hauled on all four side of this property and they don't need the smell of manure. It also stated that the Tiedgens feel that the present operation of the dairy has not been monitored closely enough and they were surprised that it was built in the present location in such low ground next to swamp and the Elkhorn River. The letter stated that the dairy hauls manure constantly in large, oversized, overweight, and over width machines down the center of county roads breaking up the roads and slopping and spilling manure on the road with very little courtesy to motorists following, making it impossible to pass and at a very low speed. The letter stated that the mirrors and windows on the tractors are covered with mud and manure and the vehicles drive through the manure that is scattered on the road. It also reflected that it is the understanding of the Tiedgens that the dairy operation is financed through some kind of government low interest grant through the Battle Creek Bank of which they think Richard Grant is a stockholder. The letter reflected that they understand that Richard Grant is also a member of the Madison County Zoning Board and they think that this could be a conflict of interest. It also stated that the Tiedgens also heard that some people received a notice of the meeting with the Zoning Board on the matter of expansion of the dairy herd and they did not receive a notice. In addition, the letter reflected that the Tiedgens have been friends and neighbors of the Biermans long before Mike Henn was born and they understand the high cost of fertilizer and how it would save the Biermans lots of money on fertilizers by having manure spread on their fields. The letter stated that the Tiedgens didn't care if they put manure on their own ground around their home, but they care when manure is spread on neighbors' land next to their property and when manure is dropped on the roads they drive over.

Karen Reed expressed her own opposition to the conditional use permit application. She stated that she spoke to the Nebraska Game Commission and the Department of Environmental Quality Agricultural section and some of her concerns are how to make sure that all the run-off is clean before it goes into the rivers and lakes. She stated that there are eagles, migrating birds, ducks, geese, and swans in the area and she expressed concerns whether the manure spreading on three sides has any affect on the birds. She stated that if run-off is going into the river that is a moving system as opposed to a lake with a small pit and larger pit where the water doesn't move. Ms. Reed also stated that some of the neighbors drive on the roads and when they get home their tires smell and they can't park their vehicle in the garage. She explained that they have a motorcycle and this is real safety hazard and dangerous because the manure is slick and wet. She stated that she has a concern about odor control and isn't sure if the dairy operation works on this. She also reported that years ago a neighbor across the river had hogs and she remembers the odor from that and the flies were terrible. Ms. Reed reported that the DEQ said that only so much manure is allowed on the land each year and they only sample it annually. She stated that DEQ also stated that they don't have the manpower to go out to the different lakes and ponds to check levels and the only way to tell if there is too much manure in the water is by the fish being killed. In addition, she reported that the DEQ couldn't guarantee that this will not kill the fish. Ms. Reed explained that her father stocks the lake from time to time. She stated that the lake is recreational and is used for family reunions with 125 people attending. She reported that her brother has Country Kickers from Omaha coming to the lake and on Memorial Day and Labor Day over 100 people come to the lake. She also stated that Battle Creek uses the lake for class reunions and that the Boy Scouts and Girl Scouts use the lake. In addition, she reported that birthday parties, graduation parties, and wedding receptions are held at the lake.

Karen Reed read a letter signed by Vicki Flanagan that stated that it has been brought to her attention that Mike Henn wants to increase his dairy herd and that the way he disposes of the manure from his cattle has been terrible. The letter reflected that the manure from Henn's wagons pours out on the highway and onto vehicles and the large tractors and wagons take up three-fourths of the highway so a person can't pass and if a person honks at them to let them know you're behind them they slow down even more. The letter stated that their pickups and cars smell like a feed yard from just driving through the manure on the road and they can't have a clean pickup when they go to town because they smell. In addition, the letter reflected that they didn't have a fly problem in the past but they sure have one now and it's only going to get worse. The letter stated that it is against the law for a semi-truck pulling a cattle trailer to leave its clean out traps open while going down the highway and spilling manure, but this is the same thing. The letter also reflected that Mr. Henn has no easy way now to get rid of the manure and questioned what it would be like when he gets more cows. Finally, the letter questioned why they should smell like a dairy barn when they don't milk cows.

Karen Reed also read another letter signed by Roy and Sherri Swoboda that expressed opposition to the expansion of Mike Henn's dairy. The letter reflected that the reasons they are against the expansion is that their travels to and from work take them past several of the fields that Mr. Henn currently disposes of manure on and over the past ten years they have seen probably several thousand honey wagons worth of manure top spread on area fields. The letter reflected that they do not believe that his disposal of manure, top spreading, is an ecologically sound means of disposal, due to the proximity of many wetlands and the Elkhorn River. It stated that currently his methods may be acceptable, but doubling that amount of manure would in their opinions be way more than some of these pieces of grounds should be exposed to. The letter reflected that they know of only one 160 acres field that Mike Henn has used to knife in the manure and that has generally been a once a year application in the spring. The letter stated that they have personally witnessed some fields that were top spread with manure to the point that the previously harvested corn stubble was unrecognizable and while he may be currently meeting EPA guidelines, doubling that amount surely would not be good for the waterways. The letter also stated that there are six or seven fields that all have waterways that dump directly into the Elkhorn River with some of these within feet of the river. Finally, the letter reflected that increased traffic for hauling manure, increased amounts of manure and mud on county roadways, increased wear and tear to the same roadways, and increased amount of odors and files are also a major concern.

Mike Henn submitted a letter signed by Ervin Tucker reflecting that he supports the proposed dairy expansion and he will allow his cropland to be included as a manure application site.

Chairman McCallum questioned if everyone was properly notified of the hearing before the Planning Commission. Planning and Zoning Administrator John Johnson responded that all owners within one-quarter mile of the subject property were notified of the hearing, which is further than required. Chairman McCallum questioned if there was any testimony regarding notification requirements at the Planning Commission hearing and Mr. Johnson responded no.

Commissioner Uhlir questioned which direction the water flowed from Tiedgen's lake and Planning and Zoning Administrator John Johnson responded that all the surface water within one mile in the sections north and south of the river flow to the river. Commissioner Uhlir questioned if the water flows east once it reaches the river and Planning and Zoning Administrator John Johnson responded that the water does flow east.

Commissioner Klein questioned the conflict of Planning Commission member Richard Grant that was brought up in testimony presented by Tiedgens. Planning and Zoning Administrator John Johnson responded that he was not aware of this conflict and this could be best addressed by the County Attorney. He stated that the comments that are coming from the areas of application are covered under the conditional use permit restrictions and the manure management plan that must be submitted to the DEQ and to the county. He explained that a manure management plan has not been submitted for the new expansion area, but the area of application must expand according to the number of animals and it won't necessarily all be in the same area because if more animals are added there would need to be more area to spread the manure.

Chairman McCallum stated that Richard Grant has been serving on the Planning Board for many years and this question about his involvement with the Battle Creek Bank has never been brought up and he is sure that there have people that have been before the Planning Commission that do business with the bank. He recommended that this be checked out.

Mike Henn questioned if Richard Grant voted at the Planning Commission meeting. Planning and Zoning Administrator John Johnson responded that the minutes of the Planning Commission meeting reflect that the members voting aye were Acklie, Bartee, Grant, Marx, Reigle, Sinclair, and Walahoski and there weren't any no votes and no abstentions.

Planning and Zoning Administrator John Johnson stated that when the Planning Office sends the notifications they measure from the facility, not from all the property that could be included in land application. Chairman McCallum clarified that sometimes manure is spread outside the mile radius of the facility and Planning and Zoning Administrator John Johnson concurred. Chairman McCallum stated that he wanted to make sure that notification was proper because the Tiedgens advised that they weren't notified. Planning and Zoning Administrator John Johnson responded that the Tiedgens were close to an application area, but not close enough to the dairy to require sending a notice.

Bob Tiedgen stated that he doesn't understand the notification area. Chairman McCallum explained that only the landowners located within one-quarter mile of the dairy must be notified of the hearing. Bob Tiedgen stated that his property is located one mile away from the dairy. He questioned who was notified and stated that the owner of the Garfield Schwede property didn't receive notice and it is located within a quarter mile of the dairy.

Chairman McCallum questioned if Richard Grant has a conflict if he serves on the Board of Directors for Battle Creek State Bank. County Attorney Joseph Smith responded that Battle Creek State Bank financed the Henn House dairy so they receive some pecuniary gain. He stated that it would have been a better practice to not have Mr. Grant vote on the application, especially since there is some controversy regarding the application.

Bob Tiedgen reported that the dairy employs a lot of people, but they aren't local people and he questioned if they were legal citizens. He stated that he is really concerned because he would like to hand their property down to the next generation. He told the County Board members that he was sure that they wouldn't want the dairy next to their property.

County Attorney Joseph Smith stated that the current issue that the Board must consider is how to address the issue of a Planning Commission member that probably should have abstained from voting on the application. He explained that the very safest way to handle this issue is to have the application re-considered by the Planning Commission. He explained that the vote before the Planning Commission was unanimous so it doesn't make any difference, but it would be the safest way to proceed. Planning and Zoning Administrator John Johnson questioned if the entire hearing process before the Planning Commission should be completed again. County Attorney Joseph Smith stated that Mr. Grant probably contributed to the discussion during the

hearing and Planning and Zoning Administrator John Johnson responded that Mr. Grant is the Planning Commission Chairman so he probably didn't enter into much discussion; however, he doesn't know if there is anything noted in the hearing record. County Attorney Joseph Smith stated that it isn't safe to simply return the application to the Planning Commission for another vote so the safest thing is to send the application back to the Planning Commission for another hearing.

Mike Henn asked Mr. Tiedgen if he called on two different occasions to request that manure be put on his land. Mr. Tiedgen responded that he said something about that but Mr. Henn told him he wouldn't do it because that would be too close to town and would cause him trouble. Bob Tiedgen reported that some of Mr. Henn's employees got into his storage shed and sold what he thought were valuable antiques. He stated that one of Mr. Henn's employees was in his storage shed and dropped a notebook with two citations in it. Chairman McCallum stated that this issue doesn't have anything to do with the application.

Planning and Zoning Administrator John Johnson stated that he didn't know anyone on the Planning Commission had a financial interest in the bank and he doesn't know if any of three County Commissioners serve on the Board of Directors. He asked if he should have documentation on file regarding any other Boards that Commissioners or Planning Commission members serve on that may be a potential conflict of interest for future applications. County Attorney Joseph Smith recommended that Planning and Zoning Administrator John Johnson remind Planning Commission members to abstain from voting on issues if they have a conflict of interest.

County Highway Superintendent Richard Johnson questioned if the exhibits that were submitted at the hearing be re-submitted at future hearings. County Attorney Joseph Smith advised that exhibits submitted at the hearing be filed with the Clerk's Office and documents should be re-submitted at a future hearing.

After discussion, it was moved by Klein and seconded by Uhlir to return the conditional use permit application of Henn House Dairy Inc. to renew and expand a dairy operation for a second hearing before the Planning Commission due to a conflict of interest of a member of the Planning Commission. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

Dixie Kucera, Director of the Raymond Whitwer Tilden Public Library, and Chairman of the Madison County Library Association, stated that the librarians were in attendance to present their annual reports.

Kathy Bretschneider, Battle Creek librarian, reported that over 100 children and adults have signed up for summer programs. She stated that a local citizen made a donation for supplies and the food for the noon lunch bunch. She reported that the county funding was used to purchase books and supplies for the summer reading program and for matching grants. In addition, she stated that the county funds were used to purchase a database and a microfilm printer/reader and that is a great asset. Mrs. Bretschneider stated that they also use county funds for special projects such as unique reading groups. She reported that they have patrons requesting audio books.

Carol Kielty, Madison librarian, stated that when she started she could see that the library needed lots of organization in every area and that has been her goal to make the library user friendly. She stated that every month the patron usage at the library has increased and the patronage is currently almost doubled from August 2007. She stated that the Madison library had

two successful programs. She explained that one successful program was the dessert book banquet which drew 500 people with a lot of participation from the schools, teachers, and library staff. She reported that over 450 people attended the summer reading kickoff and 120 children signed up for the summer reading program. Ms. Kielty reported that she has started two story times during the week and increased the library hours until 7PM and 8 PM. She reported that county funds were used to update books in every area, computer updates, operating supplies, reading program supplies, and a color printer.

Meadow Grove librarian Mardell Kohl was unable to attend; however, a written report that was read reflected that the county funds were used to purchase new children and young adult books, DVDs for all ages, nonfiction books, accu-cut dies, magazine subscriptions, and internet services. The report also reflected that remaining funds would be used to replace a computer.

Kathy Strong, Newman Grove librarian, reported that county funds were used to purchase adult books, children books, large print books, and books for the summer reading program.

Dixie Kucera, Tilden librarian, reported that a national exhibit is currently on display in the library. She stated that three different programs would be presented in the library, including the Wind and Carbon program, Between Fences program, and Amanda Miller and Friends music program. She stated that county funds were used to purchase adult books, large print books, and software support. She stated that the Madison County libraries are asking for an increase in county funding from \$6,400 to \$7,000 for each library during the next fiscal year, for a total of \$35,000 for the five county libraries.

Board members thanked the librarians for their report and requested the librarians to keep up the good work. The librarians expressed appreciation to the Board members for the county funding.

No action was taken.

Kathryn Liebers, Director of District Two Probation Office, and District Judge Patrick Rogers, were present to discuss the interlocal agreement with the State of Nebraska Probation Office for administration of the Adult Drug Court. Judge Rogers reported that there were no major changes to the agreement from the prior year. He stated that the agreement removed the requirement for the county to provide office space. Kathryn Liebers explained that space for the drug court coordinator is provided in the Probation Office. She reported that drug court operates in the courthouse on Friday mornings, but most of the clients meet with the program coordinator in the Probation Office in Norfolk. In addition, she stated that the salary and mileage increased, but the state is responsible for these costs.

County Attorney Joseph Smith stated that the agreement requires less of the county than the prior agreement.

Chairman McCallum asked about the success of the adult drug court program. Judge Rogers responded that no specific study has been completed on the Madison County Drug Court. Kathryn Liebers explained that a study was conducted on drug courts across the State of Nebraska which are working in conjunction with probation and the initial study outlined differences between the courts operating throughout the state on different programs and techniques that were used by drug courts on the national level. She stated that the study encouraged more communication between county and state partners.

County Attorney Joseph Smith stated that he has talked to drug courts across the State of Nebraska and, in his opinion, the Madison County Drug Court is operated the best. Judge Rogers stated that the supervision is probably the highest in the Madison County Drug Court than others across the state. He stated that an alumni group will be started and alumni members will be available to work with participants. He stated that several of the participants have been discharged; however, he feels that the Drug Court has been successful.

After discussion, it was moved by Klein and seconded by Uhlir to approve the interlocal agreement with the State of Nebraska Probation Office for administration of the Adult Drug Court. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The County Board reviewed a letter that was received from attorney Steve Mossman. Tim Brandl, Keith Preister, and County Attorney Joseph Smith were present during discussion on this issue.

County Attorney Joseph Smith reported that a letter was received from attorney Steve Mossman, the attorney for the Brandl family. He explained that the Brandl family made a request to the County Board in April to resolve a drainage issue on a county road adjacent to property that they own. He stated that the attorney was requesting a decision from the County Board or he would proceed with other action, such as a lawsuit. Mr. Smith recommended that the County Board receive the letter, review it, and set the matter for a decision as soon as practical. He stated that he is aware that County Highway Superintendent Richard Johnson must inspect the road prior to making a recommendation to the Board.

Chairman McCallum stated that he requested County Highway Superintendent Richard Johnson and County Attorney Joseph Smith to draft a letter to respond to Mr. Mossman. County Attorney Joseph Smith reported that he told Steve Mossman that he was unsure how the Board would vote. He also stated that he spoke with County Highway Superintendent Richard Johnson and it is quite likely that one option may be to close the road, which will require the consent of some people. He stated that it is unlikely that a big bridge will be constructed on a minimum maintenance road.

Tim Brandl questioned what the problem would be with making the road a dead end road. He suggested leaving the road to the bridge so they could farm each side and then take out the culverts for now or until the county gets a permanent solution. Chairman McCallum stated that if the county removes the culverts they would be removed forever.

County Highway Superintendent Richard Johnson stated that if the road is closed it would probably become a dead end road because the county needs to keep access. Chairman McCallum stated that the county would probably need to keep one-half mile of access from the west end so that both Brandl and Korth can access their property. Tim Brandl reported that at the current time they can't even farm the property and they will probably lose 110 acres this year in addition to the number of acres they lost last year.

County Attorney Joseph Smith questioned if the neighbors would agree to close the road part way. Tim Brandl stated that he doesn't know if the neighbors would agree. Chairman McCallum stated that this is why the culverts are under the road because if they could have solved the problem before, the road would have been closed. Tim Brandl stated that there was some

talk about putting a spillway in place of the culverts. He reported that his dad didn't want a spillway, but he doesn't have a problem with a spillway. Chairman McCallum explained that the county doesn't want to install a spillway because drainage tubes will need to be installed under a low water crossing to keep the water off the road so that the creek goes through. He stated that when the spillway plugs up with cornstalks and debris the water will start over the road, which becomes a liability for the county.

Tim Brandl questioned why the county wouldn't install a 20-foot wide low water crossing that slopes up without culverts so that the water runs across. Chairman McCallum stated that the county would still be responsible if someone tried to get through the area when water was sitting in the spillway. He stated that he would rather remove the culverts forever. Tim Brandl stated that the current liability for the county on this road is terrible because some monster pickups are trying to get through the road now. He stated that they will be unable to farm the property adjacent to this road this year, but they want results so that they can possibly farm the land next year. He stated that there is no doubt that the land is easier to farm when there isn't a blocked passageway and there is a buildup of water all the time. He stated that their property used to flood when it rained three inches and now it floods with 1¼ inches of rain. He reported that when one culvert was under the road his property flooded with ¾ inches of rain. He stated that all they are asking is that the county accomplish something with the drainage on this road.

Chairman McCallum explained that he has requested the county engineer to look at the project and he has received letters from people on this matter. He stated that he is following the engineer's recommendation. County Attorney Joseph Smith stated that he would report to attorney Steve Mossman and explain what was discussed during the meeting.

Tim Brandl stated that he simply wants to make sure something is moving along on this issue because he doesn't want to take the matter to court.

The Board took no further action.

The Board reviewed the 80 North Preliminary and Final Plat for Lawrence and Nancy Sinclair for a subdivision located in the W½ SW¼ Section 12-24-4. Planning and Zoning Administrator John Johnson reported that Lawrence Sinclair abstained from voting on this plat at the Planning Commission meeting. He reported that this property is located north of Meadow Grove and south of the Werner Subdivision. He reported that the county rezoned this property several months ago to rural residential and it is consistent with the comprehensive plan of limiting county residential development to subdivisions around pit lakes except for the corridor between Enola and Norfolk. He reported that this is a very well planned subdivision around a lake and not all lots have lakefront property. He explained that there is an internal road network of two cul de sacs that come off the county road from the south and there is also an internal road that comes from the west and leads into the county road on the south. Mr. Johnson explained that the landowners or homeowners' association would maintain the internal roads. He explained that there is a lot of open space and a lot of common ground and the subdivision is well designed.

Nancy Sinclair reported that her husband, Lawrence Sinclair, designed the subdivision using a prototype from a property that is a very top tier property near Beaver Creek in Vail, Colorado. She stated that her husband used a large guideline book from the Colorado development and that the development would be very unique.

Commissioner Uhlir questioned if there would be a certain standard for the houses that are constructed. Nancy Sinclair responded that there would be very particular standards that must be followed and they would be consistent with the lot size and terrain.

After discussion, it was moved by Klein and seconded by Uhlir to approve the 80 North Preliminary and Final Plat for Lawrence and Nancy Sinclair for a subdivision located in the W½ SW¼ Section 12-24-4. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The Board discussed re-negotiation of the interlocal agreements for joint planning services with the cities of Battle Creek, Madison, Meadow Grove, Newman Grove, and Tilden. Planning and Zoning Administrator John Johnson explained that the current interlocal agreements were executed in 1976 and 1977. He reported that he discussed this issue with County Attorney Joseph Smith advised that this agenda item could be discussed in executive session since it involved contract negotiation.

Motion was made by Uhlir and seconded by Klein to recess into executive session to discuss contract negotiations for joint planning services. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried. The Board recessed into executive session at 11:56 A.M. with Planning and Zoning Administrator John Johnson, County Highway Superintendent Richard Johnson, and County Clerk Nancy Scheer present.

Motion was made by Uhlir and seconded by Klein to recess from executive session. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried. The Board recess from executive session at 12:12 P.M.

The Board took no further action.

The following claims were audited:

GENERAL FUND

Total Net Payroll		103,465.94
Joseph Ablor	Supplies, Public Defender	14.83
Roger Acklie	Mileage, Planning and Zoning	225.67
Ronald Albin	Legal Services, County Court	1,213.97
Albracht Disposal	Garbage Service, Public Defender	41.00
Albracht Disposal	Garbage Service, Courthouse	94.00
Albracht Disposal	Garbage Service, County Sheriff	155.00
Alltel	Telephone Service, Planning and Zoning	58.84
Alltel	Telephone Service, County Extension	92.07
American Family Life Assurance Co.	Insurance Premiums	573.22
Ameritas Life Insurance Corporation	Employee Share Retirement	6,657.53
Ameritas Life Insurance Corporation	Employer Share Retirement	9,776.82

Ameritas Life Insurance Corporation	Insurance Premiums	283.76
Antelope County Sheriff	Service Fees, District Court	91.70
Appearra	Mat Service, Public Defender	29.22
Aquila	Gas Service, Planning and Zoning	78.15
Aquila	Gas Service, Veterans' Service Office	70.35
Aramark Correctional Services	Meals, County Jail	11,944.38
Aspen Publishers	Subscriptions, Law Enforcement	2,598.82
A T & T	Telephone Services, Public Defender	140.60
Automated Systems Inc.	Equipment, Reappraisal	616.82
Avenue Muffler	Repairs, County Sheriff	830.37
Bank of Newman Grove	Fees, Courthouse	50.00
Bankers United Life Assurance Company	Insurance Premiums	9.00
Larry Bartee	Mileage, Planning and Zoning	141.60
Battle Creek Enterprise	Publication Costs, Election Commissioner	502.63
Battle Creek Farmers Coop	Supplies, Fuel, County Sheriff	46.73
Behavioral Health Services	Services, Victim Witness	337.84
BI Inc.	Monitoring Services, Juvenile Diversion	234.58
Big Red Printing	Supplies, County Assessor	203.62
Big Red Printing	Supplies, Planning and Zoning	99.26
Big Red Printing	Supplies, County Extension	60.00
Big Red Printing	Supplies, Victim Witness	49.50
Gary Bring, D.D.S.	Dental Services, County Jail	254.00
Broadwing Communications	Telephone Services, Courthouse	292.82
Brogan & Stafford, P.C.	Legal Services, County Court	10,641.98
Buck's Specialty	Uniforms, County Jail	21.07
Cableone	Internet Services, Public Defender	192.95
Cableone	Internet Services, Planning and Zoning	59.00
Carol's Touch	Painting Services, Courthouse	2,783.84
Cedar County Court	Copies, Law Enforcement	8.25
Central United Life Insurance Company	Insurance Premiums	56.71
Champs Inc.	Maintenance Agreement, County Jail	2,166.00
City of Madison	Utilities, Rent, Public Defender	421.72
City of Madison	Utilities, Courthouse	1,527.67
City of Madison	Utilities, County Jail	315.77
City of Norfolk	Supplies, Register of Deeds	25.00
City of Norfolk	Supplies, County Assessor	25.00

City of Norfolk	Utilities, Veterans' Service Office	26.09
Clerk of the Supreme Court	Court Costs, District Court	172.00
Gail Collins	Mileage, Law Enforcement	83.83
Colonial Life and Accident Insurance	Insurance Premiums	92.79
Connecting Point	Equipment, County Sheriff	5,113.99
Connecting Point	Supplies, Equipment, Probation	1,844.99
Connecting Point	Software, Veterans' Service Office	39.99
Connecting Point	Internet Services, Contract Services, Courthouse	1,273.90
Correctional Counseling Inc.	Supplies, Probation	513.87
Credit Management Services Inc.	Garnish of Wages	102.61
Culligan	Drinking Water Service, County Jail	79.00
Dakota Business Systems	Equipment Lease, Probation	72.00
DAS Central Finance	Telephone Service, Planning and Zoning	43.38
DAS Central Finance	Telephone Service, County Sheriff	262.29
DAS Central Finance	Telephone Service, County Jail	441.71
DAS Central Finance	Telephone Service, Veterans' Service Office	71.95
DDSS Inc.	Contract Services, Courthouse	752.92
Dell Marketing L.P.	Supplies, County Court	107.94
Don's Auto Repair Inc.	Repairs, County Sheriff	27.44
Douglas County Sheriff	Registrations, County Sheriff	400.00
Douglas County Treasurer	Forensic Services, Law Enforcement	210.00
Eakes Office Plus	Supplies, County Court	52.99
Eakes Office Plus	Supplies, Law Enforcement	123.98
Eakes Office Plus	Supplies, County Jail	332.07
Eakes Office Plus	Supplies, Probation	572.95
Enviromaster Inc.	Supplies, County Jail	42.00
ETS Development Group, LLC	Software, County Sheriff	5,807.48
Faith Regional Health Services	Registrations, County Attorney	30.00
Faith Regional Infectious Disease	Medical Services, County Jail	465.00
Fields Hardware	Supplies, Election Commissioner	5.99
Fields Hardware	Supplies, Courthouse	35.82
Fields Hardware	Supplies, County Jail	175.99
Fireguard Incorp	Repairs, County Sheriff	119.80
First Concord Benefits Group	Flexible Benefit Plan	2,168.10
Fitzgerald, Vetter & Temple	Legal Services, County Court	238.42
Floor Maintenance & Paper Supply	Supplies, County Jail	272.83

Floor Maintenance & Paper Supply	Supplies, Veterans' Service Office	88.23
Frontier	Telephone Services, Public Defender	273.03
Frontier	Telephone Service, Courthouse	1,412.00
Galls Inc.	Equipment, County Sheriff	285.47
Gillette Printing	Supplies, County Extension	164.00
GIS Workshop	Maps, Contract Services, Reappraisal	26,700.00
Gordy's Towing & Repair	Repairs, County Sheriff	32.84
Richard Grant	Mileage, Planning and Zoning	399.42
Great Plains Appraisal	Services, Reappraisal	3,920.00
Tom Haase	Meals, County Sheriff	99.09
Hartford Life Insurance Company	Deferred Compensation	280.00
Hauge Associates Inc.	Garnish of Wages	128.50
Matthew Headley	Postage, Mileage, Public Defender	167.08
Jeffrey Hrouda	Legal Services, County Court	3,601.24
Jack's Uniforms	Uniforms, County Sheriff	409.47
Jewell, Collins, Delay, & Flood	Legal Services, District Court	7,504.01
Jewell, Collins, Delay, & Flood	Legal Services, County Court	1,993.38
Johnson, Morland, Easland & Lohrberg, P.C.	Legal Services, District Court	427.80
Johnson, Morland, Easland & Lohrberg, P.C.	Legal Services, County Court	1,030.60
Pam Kesting	Mileage, Supplies, County Extension	45.96
Kay Knapp	Mileage, County Extension	22.22
Lancaster County Court	Copies, Law Enforcement	8.50
Kathleen Laughlin, Trustee	Garnish of Wages	76.62
Louderback Drug	Medical Services, County Jail	513.63
Madison Ampride Inc.	Fuel, Election Commissioner	44.20
Madison Ampride Inc.	Fuel, Courthouse	129.54
Madison Ampride Inc.	Fuel, County Sheriff	659.47
Madison County Clerk	Tax Deposit	37,023.94
Madison County Clerk of District Court	Court Costs, District Court	996.00
Madison County Court	Court Costs, County Court	1,352.00
Madison County Sheriff	Court Costs, Mental Health	108.31
Madison County Sheriff	Court Costs, District Court	918.45
Madison County Sheriff	Court Costs, County Court	1,884.89
Madison County Sheriff	Meals, Registrations, Software, County Sheriff	306.95
Madison Food Pride	Supplies, Public Defender	31.83
Madison Star Mail	Publication Costs, Election Commissioner	391.50

Marathon Press	Supplies, Public Defender	175.50
William Marx	Mileage, Planning and Zoning	49.30
Christal McDonald	Court Reporting, Mental Health	215.15
Medtox Diagnostics Inc.	Equipment, Juvenile Diversion	247.63
Menards	Supplies, County Sheriff	16.45
Menards	Supplies, Probation	49.13
Microfilm Imaging Systems Inc.	Supplies, Register of Deeds	228.40
Midtown Holiday Inn	Lodging, Meals, County Sheriff	168.73
Midwest Plumbing & Heating	Repairs, County Jail	263.35
MIPS	Computer Support, County Clerk	483.18
MIPS	Computer Support, County Treasurer	809.07
MIPS	Supplies, Reappraisal	108.63
Morrissey Motor Company	Repairs, County Sheriff	28.00
MS Data Services	Computer Services, County Treasurer	157.00
NACEB	Dues, County Extension	100.00
NCDA	Registration, Public Defender	150.00
Nebraska Association of County Officials	Dues, County Officials	1,730.67
Nebraska Child Support Payment Center	Garnish of Wages	505.84
Nebraska Crime Commission	Publication, Law Enforcement	7.00
Sarah Nelson	Mileage, County Extension	111.10
Norfolk Daily News	Publication Costs, Courthouse	73.17
Norfolk Office Equipment	Equipment, County Sheriff	4,761.00
Norfolk Office Equipment	Equipment, Law Enforcement	2,280.00
Norfolk Printing Company	Supplies, County Court	139.50
Norfolk Vacuum Sales & Service	Supplies, County Sheriff	17.98
Northeast Community College	Administrative Costs, County Extension	3,659.02
Northeast Nebraska Economic Development District	Meal, Planning and Zoning	15.00
Northeast Research & Extension Center	Telephone Services, Supplies, Postage, County Extension	757.22
Norm Nykodym	Lawn Services, Public Defender	253.00
Rita Olberding	Fees, District Court	27.10
Sherry Peterson	Mileage, Telephone Service, Juvenile Diversion	402.19
Pitney Bowes	Supplies, Courthouse	174.48
Postmaster	Postage, County Attorney	84.00
Postmaster	Box Rent, Courthouse	686.00
Postmaster	Postage, Veterans' Service Office	149.60
Quality Food Center	Supplies, Probation	15.95

Radio Shack Corporation	Equipment, County Sheriff	314.97
John Reigle	Mileage, Planning and Zoning	114.32
Reynoldson's Inc.	Fuel, County Sheriff	660.16
Sanne Repair	Repairs, County Sheriff	2,392.36
Marjorie Schaffer	Mileage, District Court	60.60
Nancy Scheer	Mileage, County Clerk	153.52
Scheer's Ace Hardware	Supplies, Courthouse	126.19
Security Shredding	Services, Probation	45.00
Lee Sherry	Mileage, County Extension	56.56
Sid Dillon	Vehicle, County Sheriff	21,867.00
Lawrence Sinclair	Mileage, Planning and Zoning	100.63
Joseph Smith	Mileage, Law Enforcement	467.88
Standard Appraisal Service	Services, Reappraisal	4,875.00
Michelle Sullivan	Mileage, Juvenile Diversion	192.91
Superior Wash	Car Washes, County Sheriff	800.00
Dale Taylor	Interpreting Services, Public Defender	225.00
Text & Data Technologies Inc.	Software Support, County Sheriff	1,900.00
The Randolph Times	Publication Costs, Planning and Zoning	54.99
Thibault Suhr & Thibault, Inc.	Copies, Law Enforcement	107.10
Trane US Inc.	Maintenance Contract, Courthouse	435.78
U.S. Cellular	Telephone Services, Law Enforcement	60.78
Voigt Locksmith, Inc.	Repairs, Public Defender	114.31
Volkman Plumbing & Heating	Repairs, Public Defender	154.51
Dave Walahoski	Mileage, Planning and Zoning	339.47
Walmart	Equipment, District Court	816.87
Wayne County Court	Copies, Law Enforcement	3.75
Melissa Wentling	Supplies, Meals, Parking, Mileage, Public Defender	393.14
Western Office Plus	Supplies, County Clerk	33.30
Western Office Plus	Supplies, County Treasurer	34.47
Western Office Plus	Supplies, County Assessor	75.16
Western Office Plus	Supplies, Public Defender	373.56
Western Office Plus	Copier Maintenance, Supplies, County Sheriff	785.00
Western Office Plus	Copier Maintenance, County Attorney	64.38
Western Office Plus	Supplies, Veterans' Service Office	48.08
White Star Oil Company	Fuel, Repairs, County Sheriff	128.24
Zippy Lube	Repairs, County Sheriff	53.86

ROAD/BRIDGE FUND

Total Net Payroll		23,727.01
Albracht Disposal Service Inc.	Garbage Service, District #1	40.00
American Family Life Assurance Company	Insurance Premiums	187.77
Ameritas Life Insurance Corporation	Employee Share Retirement	1,436.64
Ameritas Life Insurance Corporation	Employer Share Retirement	2,154.99
Ameritas Life Insurance Corporation	Insurance Premiums	60.34
Aquilla	Gas Service, District #2, #3	282.63
B & A Welding	Repairs, District #2	128.20
B's Enterprises Inc.	Supplies, Culverts, District #2, #3	12,509.95
Bankers United Life Assurance Company	Insurance Premiums	44.58
Battle Creek Farmers Cooperative	Fuel, District #1, #2, #3	27,638.16
Battle Creek Municipal Light & Power	Utilities, District #3	125.24
Bauer Built	Repairs, District #1, #2, #3	245.54
Broadwing Communications	Telephone Services, District #1, #3	43.33
Carhart Lumber Company	Supplies, District #3	10.40
Caterpillar Financial Services Corp	Equipment Rental, District #2	1,913.64
City of Madison	Utilities, District #1	404.24
City of Newman Grove	Utilities, District #1	50.00
Colonial Life and Accident Insurance	Insurance Premiums	90.11
Courtesy Ford Lincoln Mercury	Repairs, District #3	245.66
Dinkel Implement Company	Equipment Rental, District #3	3,083.67
Eastern Nebraska Telephone	Telephone Services, District #3	89.31
Elkhorn Valley Sand & Gravel	Gravel, District #1, #2	1,647.98
Field's Hardware	Supplies, District #1	81.16
Filter Care of Nebraska LTD	Services, District #1, #2	31.95
First Concord Benefits Group	Flexible Benefit Plan	582.73
Frontier	Telephone Services, District #1, #3	219.29
GI Trailer Inc.	Repairs, Equipment, District #2	4,885.21
Green Line Equipment	Repairs, District #3	318.30
Hartford Life Insurance Company	Deferred Compensation	40.00
Husker Steel Inc.	Bridge Materials, District #1	49,649.00
J & J Auto Repair & Welding	Repairs, District #1	483.33
Jebro Inc.	Repairs, District #2	4,829.31

K & C Grain Inc.	Gravel, District #2	838.80
Kayton International Inc.	Repairs, District #3	225.36
Kelly Supply Company	Repairs, District #2	25.34
Kimball Midwest	Repairs, District #3	66.06
Linweld Inc.	Supplies, District #3	111.27
Madison Ampride Inc.	Fuel, District #1	1,299.86
Madison County Clerk	Tax Deposit	8,028.29
Matteo Sand and Gravel	Gravel, District #1, #2, #3	9,943.72
Menards	Supplies, District #3	15.70
NAPA Auto Parts of Norfolk	Repairs, District #1, #2, #3	384.80
Nebraska Child Support Payment Center	Garnish of Wages	115.39
Nebraska Harvestore Systems Inc.	Equipment, District #3	45,218.64
Nebraska Machinery Company	Repairs, District #3	47.11
Nebraska Public Power District	Utilities, District #3	92.21
Norfolk Auto Supply	Supplies, District #3	226.19
Norfolk Implement Inc.	Repairs, District #3	31.59
Pollock Redi Mix	Cement, District #3	1,364.50
Prime Sanitation	Services, District #2	53.75
Progas LLC	Fuel, District #3	656.92
Quick Serve Oil Company Inc.	Repairs, District #3	64.90
Reigle Implement Company Inc.	Repairs, District #1	67.25
Scheer's Ace Hardware	Supplies, District #1, #2, #3	559.44
Specialty Sales	Repairs, District #1	372.61
Chad Sydow	Commercial Drivers License, District #2	10.00
Telebeep Wireless	Repairs, District #1, #2	141.96
Truck Center of Norfolk	Repairs, District #1, #3	214.15
Tube City IMS LLC	Slag, District #1	199.60
US Cellular	Telephone Service, District #1, #2, #3	247.86
Vic's Engine Service, Inc.	Supplies, District #2	56.07
Weldon Industries Inc.	Repairs, District #1	214.38

FEDERAL AID SECONDARY FUND

Matteo Sand & Gravel Co. Inc.	Gravel	5,281.91
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INHERITANCE TAX FUND

Mary Hladik	Refund of Inheritance Tax	817.90
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DRUG COURT FUND

Valorie Olson	Court Reporting	75.00
Melissa Wentling	Lodging	460.34

NOXIOUS WEED FUND

Total Net Payroll		2,530.64
Ameritas Life Insurance Corporation	Employee Share Retirement	115.07
Ameritas Life Insurance Corporation	Employer Share Retirement	172.61
Madison County Clerk	Tax Deposit	815.86

911 EMERGENCY FUND

Frontier	Telephone Services	160.56
Qwest	Telephone Services	640.54

Motion made by Klein and seconded by Uhlir that the claims be approved as audited and that checks be drawn for payment. Roll call vote: Ayes, McCallum, Uhlir, and Klein. Nays, none. Motion carried.

The Board adjourned at 12:46 P.M. to Tuesday, June 24, 2008 at 9:30 A.M.

County Clerk

Chairman