

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

September 27, 2012

Ord, Nebraska

The September meeting of the Board of Directors of the Lower Loup Natural Resources District was held at the Headquarters Office, 2620 Airport Drive, Ord, Nebraska, on September 27, 2012. Chairman Kruse called the meeting to order at 5:05 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson, Secretary
James J. Eschliman
Michael P. Gutzmer
Gary A. Kruse, Chairman
Dean J. Rasmussen
Bradley R. Staab
Kim Walden

Rollie D. Amsberry, Treasurer
Tim Bartak
Virgil W. Gellermann
Thomas Knutson
James C. Nelson
Gerald P. Smith
Henry J. Thoene

Directors absent

Joseph L. Citta, Jr. Vice Chairman
N. Richard Hadenfeldt
Darwin R. Sieh

Craig E. Frenzen
Alan D. Petersen

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Dell Harris, Water Resources Specialist
Irene Kreifels, Financial Secretary
Jason Moudry, Water Programs Specialist
Larry D. Schultz, I&E Coordinator

Russell Callan, Assistant Manager
Rita Goldfish, Administrative Assistant
Robert T. Mohler, District Engineer
Tylr Naprstek, Water Modeling Coordinator
Richard Woollen, N.C. District Forester

Guests in attendance

Bryce Bauer, DC, NRCS, Ord
Trey Baum, Elgin
Dean Thede, St. Paul

Devon Baum, Elgin
Jeanine Baum, Elgin

NOTICE OF OPEN MEETING LAW POSTING

Chairman Kruse referred those in attendance to the open meeting law information posted in the Board room.

APPROVAL OF VERIFICATION OF MEETING NOTICE, ADOPTION OF AGENDA AND EXCUSED ABSENCES

Chairman Kruse asked for verification of the meeting notice. General Manager Leon “Butch” Koehlmoos verified that the meeting notices were properly published in all newspapers, except the Nance County Journal. The meeting notice was also posted at the NRD Headquarters office in Ord, the NRD web site, and the eight field office locations.

Smith motioned, seconded by Knutson, to approve the verification of the meeting notice, adopt the agenda, and excuse all absent directors. Motion carried by roll call vote, all present voting yes.

MINUTES

Chairman Kruse asked for corrections and/or additions to the August 23, 2012, Board meeting minutes. Walden suggested that comments regarding the pallid sturgeon be removed from the minutes as the comments were hearsay and unofficial.

Walden motioned, seconded by Eschliman, to strike comments regarding the pallid sturgeon from the August, 2012, meeting minutes. Motion carried by roll call vote, all present voting yes.

Kruse ruled that the August 23, 2012, Board meeting minutes would stand approved as amended.

TREASURER’S REPORT

Chairman Kruse directed the Board’s attention to the Treasurer’s Report as published in the regular and supplemental agendas. Koehlmoos said the cost of the District’s commercial insurance package had increased \$1,264.00 following an audit. The increase was for coverage for workmen’s compensation as well as coverage for terrorism and catastrophic disaster. Koehlmoos said he would substantiate the claim before payment was made. He said that a payment of \$49,616.60 to the Ericson Lake Corporation listed in the supplemental agenda was for 15% of the expenses accrued in the renovation of the facility as had been approved by the Board. Mohler said that the bills submitted had been reviewed and approved and that additional bills might be forthcoming to bring the total to near \$56,000.00.

Rasmussen motioned, seconded by Eschliman, to approve the September, 2012, Treasurer’s Report and pay all bills. Motion carried by roll call vote, all present voting yes.

PUBLIC COMMENTS

Staab introduced his sister Jeanine Baum, and her daughter and son, Devon and Trey. Devon Baum told the Board that she appreciated her scholarship to range camp and Trey echoed his sister's comments. He said that he had finished 13th in the junior division of range judging and 28th at the state contest the previous week. Devon said that she had won the state natural resources speech competition with a presentation on Nebraska's NRDs. Schultz said that the Baums are residents of the Lower Loup NRD, and attend school outside the District.

Chairman Kruse introduced Dean Thede of St. Paul. Thede said he is a candidate for the Subdistrict 5 seat on the LLNRD Board of Directors.

TREASURER'S REPORT (CONT.)

Koehlmoos told the Board that the District had been investing funds with NPAIT (Nebraska Public Agency Investment Trust) and the interest rates received had dropped to low levels. He said that the Board had previously voted to allow District funds to be placed in certificates of deposit (CDs) at banks in the District. He said he would like to take funds from the NPAIT account and place them in CDs in various banks to get a higher rate of return. He presented a banking resolution with BankFirst and asked to move \$250,000 from NPAIT to BankFirst.

Staab motioned, seconded by Knutson, to approve the banking resolution with BankFirst and to move \$250,000 in District funds from NPAIT to BankFirst. Motion carried by roll call vote, all present voting yes.

FORESTER'S REPORT

North Central District Forester Richard Woollen told the Board that he had participated in a Rangeland Management Workshop in Custer County and demonstrated the EZ Boardwalk sawmill. He said there was discussion on log scaling and potential value on timber.

Woollen said that he took part in a discussion and tour of the Niobrara Valley following the fires there. He said he toured the area with the state forester and discussed forest fuels reduction and the use of Firewise concepts to protect buildings.

Woollen said that he had the opportunity to judge some of the 4-H forestry exhibits at the Nebraska State Fair. He said that he was part of a team of foresters judging and providing comments for the 4-H participants.

Eschlman asked how trees were handling the drought and Woollen said that the trees with drip irrigation had done well and even trees at dryland sites were doing ok if there had been any rain in the spring. He said fall survival checks would be getting underway.

NRCS REPORT

District Conservationist Bryce Bauer told the Board that all the EQIP applications had been funded under special drought funding. He said that there were about 40 applications in the Lower Loup NRD, which represented about 75% of the funding in Nebraska. He said that there was almost \$3 million in EQIP funding in the Lower Loup NRD in 2012.

Bauer said he attended the NARD Conference in Kearney and the District Conservationists met during the conference.

Bauer said that five temporary positions had been funded through September, 2013.

Gutzmer asked what types of practices the EQIP drought funding went to and Bauer said that the funds went to cover crops, to lower wells that went dry, and new wells and pipelines for fields that had been watered out of dams. Gellermann asked what types of drought funding were available for livestock producers and Bauer said only water type practices could be funded.

Koehlmoos said that the Prescribed Burn/Range TSP position would be funded at our current agreement rate for an additional six months through an extension offered by NRCS.

ENGINEERING REPORT

FEMA Hazard Mitigation Plan

District Engineer Robert Mohler told the Board that FEMA had supplied their comments on the Lower Loup NRD plan. The comments included “excellent job on summarizing information,” “excellent wildfire map,” and “well organized presentation on a vast amount of data.” Mohler said that the revisions requested by FEMA should be completed in the next day or two and then returned for approval. Mohler said the communities will need to adopt the plan when the final revisions are accepted and the plan will be in place for five years following adoption. He said the NRD would encourage immediate adoption.

Spalding Storage Building

Mohler referred the Board to the supplemental agenda and an outline of the three bids received for the NRD storage building in Spalding. He said two bidders offered steel frames and a third offered two bids, one for wood frame and one for steel. Koehlmoos said staff preferred a steel frame, but either option would work. Koehlmoos said that electrical service and heating could be added as a change order or contracted after construction. There was discussion regarding the various options open to the Board.

Knutson motioned, seconded by Bartak, to accept the bid of Thome Construction for a steel framed building with the option to pursue electrical service and heating as a change order or contracted at a later date. Motion carried by roll call vote, all present voting yes.

Walden thanked Mohler for his service to the Board and mentioned that he had served for over three decades.

INFORMATION AND EDUCATION REPORT

State Range Judging

Information/Education Coordinator Larry Schultz told the Board that the State Range Judging Contest was held in Stanton County on September 26th. He said that 400 students competed at the contest. Students from the Lower Loup NRD did well at the contest, including Seth Wetovick of Fullerton who was the top junior competitor and Chase Samuelson of Palmer was second. Palmer finished as the top junior team, Fullerton was second and Burwell eighth. In the senior division, Taylor Hornickel of Ord was second, Dusty Staab of Ord 8th, and Dylan Miller 11th. The Ord team of Hornickel, Staab, Miller and Cody Drudik was the state champions in the senior division. A team from Fullerton finished third in the senior division. Dennis Mottl of Palmer was the top professional. Kevin Wetovick of Fullerton was second, and Phil Simpson of Burwell was third.

Koehlmoos told the Board that he wished to discuss issues with range judging contests with the president of the Society for Range Management.

Environmental Festival

Schultz told the Board that the Lower Loup NRD, NRCS, Central IV Extension, Loup Basin Health Department and Keep Loup Basin Beautiful would host the annual Environmental Festival at Auble's Pond in Bussell Park in Ord. He said that he would offer a session on Water Bottle Rockets, with schools competing for the highest flying and best decorated rockets. He said that the presentation would include information on recycling and the use of water and compressed air as propulsion. Schultz said that about 165 students were expected to attend.

Schultz said the latest edition of "In The Loup," the District newsletter, was at the printers and would be mailed out in early October.

ASSISTANT MANAGER'S REPORT

Variance Committee

Assistant Manager Russell Callan told the Board that the Variance Committee had met earlier in the day to hear two variance requests. He said that Ralph Hilyard wished to have a permit for a new groundwater well because an ownership shift meant that a previously used well was no longer available for use. The farm had an irrigated history and the owner paid taxes for irrigated farmland, but it was developed after the 2006 well moratorium. This was the first time the Committee had heard the request.

Callan said that Amsberry Farms wished to change the use of a livestock well at the cattle feeding operation to irrigation/domestic use and certify the acres irrigated with water from their livestock lagoon as groundwater irrigated acres. He said the farm would blend water pumped from a livestock lagoon with water from the well to irrigate approximately 60 acres under two pivots. Callan said the Committee tabled action on the request, pending action on groundwater management rules by the Water Resources Committee.

Water Resources Committee

Callan told the Board that the Water Resources Committee had made recommendations regarding the Lower Loup NRD's groundwater management rules and regulations. The Committee recommended that all large water users be required to conduct a hydrologic impact study before new wells could be constructed. He said the study would examine the effect of new industrial wells on current well users and groundwater levels. Walden asked if the rule would apply to large users on a municipal system and Koehlmoos said that if the municipality would need a new well to handle the new use, the study would be required. Thoene asked how much a study would cost and Callan said he was not aware of the price. Callan said that the study would also have to be evaluated.

Thoene motioned, seconded by Adams, to approve the Water Resources Committee recommendation to add to the LLNRD groundwater management rules that all large water users of 500 acre-feet annually, with a 250 acre-feet expansion, be required to conduct a hydrologic impact study before new wells can be constructed. Motion carried by roll call vote, all present voting yes.

Callan reminded the Board that the rules would be heard in public hearing before final approval could be given. He said that the Water Resources Committee also recommended increasing the fee for a transfer of irrigated acres or the request for a variance from the groundwater rules and regulations to \$300.

Adams motioned, seconded by Walden to approve the Water Resources Committee recommendation to increase the fee for an irrigated acres transfer request or request for a variance from the NRD's groundwater rules and regulations to \$300 each. Motion carried by roll call vote, all present voting yes.

Callan said that the Water Resources Committee recommended the fee for new irrigated acres applications be set at a flat \$500 fee. He said that the new fee was designed to stop multiple applications for small parcels of less than 10 acres in one field.

Gutzmer motioned, seconded by Amsberry, to approve the Water Resources Committee recommendation to raise the application fee for new irrigated acres to a \$500 flat fee for each application. Motion carried by roll call vote, all present voting yes.

Callan told the Board that the Committee discussed classifying lagoon water. Callan said that staff recommended that acres irrigated by lagoon water be certified as irrigated by groundwater. He said that the water used to flush livestock confinement facilities is groundwater. It would give lagoon owners the same status as a groundwater irrigator. He said owners of a new lagoon would have to find certified acres to apply lagoon water to, otherwise they would be considered new irrigated acres. He said the Committee gave the matter considerable discussion and recommended that acres irrigated with lagoon water be certified as being irrigated by groundwater.

Gutzmer motioned, seconded by Staab, to approve the Water Resources Committee recommendation that acres irrigated by lagoon water be certified as groundwater irrigated. Motion carried by roll call vote. Directors voting yes: Anderson, Bartak, Gellermann, Gutzmer, Kruse, Nelson, Rasmussen, Staab, Thoene, Walden. Directors voting no: Adams, Eschliman,

Knutson, Smith. Director abstaining: Amsberry. Directors absent: Citta, Frenzen, Hadenfeldt, Petersen, Sieh.

Callan told the Board that the Water Resources Committee would be discussing requirements for water meters in Area 28. He said that accurate data on water use in that area is not available and it is important for dealing with the water quality issues.

Groundwater Management Area Activities

Area 28 Activities

Callan told the Board that there would be a public hearing on a complaint regarding alleged violations by Robert Prokop. The two main issues with Prokop are reporting violations and illegal wells. Koehlmoos said that he and Callan had met with the NRD's attorney regarding the matter.

Olsson Associates

Callan said that he, Naprstek and Harris would meet with staff members from Olsson Associates to discuss findings on the Area 28 Study. The information would then be presented to the NRD Board in October.

Callan said that Naprstek had been invited to speak about the Elkhorn-Loup Modeling Study at the Midwest Groundwater Conference in Minneapolis. Naprstek then provided the Board with a preview of the presentation.

Callan asked the Board what their wishes were for certifications now underway and a potential "run" on requests for certification when the public becomes aware of the potential for this new allowance.

Adams motioned, seconded by Walden, to place a freeze on applications for lagoon water irrigated acres certification. Motion carried by roll call vote, all present voting yes.

MANAGER'S REPORT

October Board Meeting Time

General Manager Leon "Butch" Koehlmoos told the Board that the NRD's attorney had a conflict with the start time for the October meeting and suggested that the meeting begin at 3:00 p.m. He said that the attorney could also be present for another item, the Kaiser Road Structure in Howard County.

Knutson motioned, seconded by Anderson, to approve a 3:00 p.m. start time for the October 25, 2012, meeting of the Lower Loup Natural Resources District Board of Directors meeting. Motion carried by roll call vote, all present voting yes.

Lower Platte River Basin Coalition Interlocal Agreement

Koehlmoos told the Board that managers of the NRDs in the Lower Platte River Basin had assembled an interlocal agreement for development of an integrated management plan for the basin. The agreement stated that each member of the coalition would have one vote. Koehlmoos said that the group would work on water banking, flows in the Platte River, municipal uses, and other issues. He said that the coalition would improve knowledge of where the basin stands and what is in its future.

Gutzmer motioned, seconded by Adams, to approve the General Manager's signature on the Lower Platte River Basin Coalition Interlocal Agreement. Motion carried by roll call vote, all present voting yes.

New Hires

Koehlmoos said that there were no new hires.

NARD REPORT

Director's Report

Rasmussen said that the NARD Board met in Kearney during the NARD Conference and got the audit report which showed good financial standing, but the health insurance program had been affected by high claims. He said that the new building at Husker Harvest Days worked well. The NARD Annual Conference was a success and the fund-raising events were all very successful. The Board discussed some of the presentations and congratulated Eschliman on his success during the NARD Golf Tournament.

NRC REPORT

Knutson reported that the Commission would meet in Kearney and approved some bill payments and discussed the need for additional funding. He said that the dedication of the Wanahoo project was coming up.

RC&D REPORTS

Loup Basin RC&D

Rasmussen told the Board that the RC&D met in Burwell on September 18th. He said that Happy Jack Chalk Mine had been told by the State Fire Marshall to place fire sprinklers in the mine if the Haunted Hallow activity was to continue. Without funding from the popular event, the mine might be closed. He said that local entrepreneurs developing elderberry wine and sunflower oil were present. He reported that representatives of the Pawnee Village near Dannebrog were present and had been featured in a New York Times article, creating an upswing in attendance.

PrairieLand RC&D

Gellermann reported that the RC&D had held its annual meeting in Humphrey and the feature speaker was the economic development director from Madison. Entrepreneurs had expressed interest in locating a tire compressor in the community's industrial park. He said that another presentation offered the potential for multi-family dwellings with a single heating/cooling system. He said that the fees charged during the recent tire collection generated funds and did not decrease interest in the recycling project.

ANNOUNCEMENTS

Koehlmoos announced that the city of Ord has agreed to contribute \$15,000 to the pedestrian walkway at Hardenbrook Dam and another potential donation could come from the Karp and Krow Club. He said the city also approved \$15,000 towards the proposed trail loop through the NRD Arboretum.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:28 p.m.

Roster for attendance of this meeting and tally of votes cast on motions at this meeting are being filed with the official minutes of this meeting at the Lower Loup Natural Resources District's Headquarters Office, 2620 Airport Drive, Ord, Nebraska. Publication notification of this meeting was made via newspaper in each county within the District. The next Board of Directors meeting will be held Thursday, October 25, 2012, at 3:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary