

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

January 22, 2009

Ord, Nebraska

The January 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 January 22, 2009. Chairman Hadenfeldt called the meeting to order at 7:48 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson, Secretary
Allen G. Conner
Craig E. Frenzen
N. Richard Hadenfeldt
James F. Lightner
Dean J. Rasmussen
Darwin R. Sieh
Henry J. Thoene

Rollie D. Amsberry, Treasurer
Joseph L. Citta, Jr, Vice Chairman
James J. Eschliman
Virgil W. Gellermann
Gary A. Kruse, Chairman
Alan D. Petersen
Lyle D. Rasmussen
Bradley R. Staab

Directors absent

Michael P. Gutzmer
Gerald P. Smith

James C. Nelson

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Rita A. Goldfish, Administrative Assistant
Robert T. Mohler, District Engineer
Richard L. Woollen, NC Dist. Forester

Russell Callan, Assistant Manager
Dell R. Harris, Water Resources Specialist
Larry D. Schultz, I&E Coordinator
Edward Drozd, Tech Ass't., Columbus

Guests in attendance

Tim Schaaf, DC, NRCS
Linda Rasmussen, St. Paul
Tom Kaiser, Farwell

Linda Koehlmoos, Ord
Rance Lierman, Howard Co. Bd., St. Paul

NOTICE OF OPEN MEETING LAW POSTING

Chairman Hadenfeldt 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 Hadenfeldt asked for verification of the meeting notice. General Manager Leon "Butch" Koehlmoos verified that the meeting notice was properly published in all newspapers and there were no changes to the agenda. The meeting notice was posted at the NRD Headquarters office in Ord and the eight field office locations.

Staab motioned, seconded by Eschliman, 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 Hadenfeldt asked for corrections and/or additions to the November 20, 2008, Board meeting minutes. Koehlmoos said that there was no December, 2008, meeting as it was canceled due to a winter storm and a statement stating such would be filed. No corrections being heard, Hadenfeldt ruled that the November 20, 2008, minutes and December 18, 2008, statement would stand approved as circulated.

TREASURER'S REPORT

Chairman Hadenfeldt directed the Board's attention to the Treasurer's Report as published in the regular and supplemental agendas. Koehlmoos said that both the December, 2008 and January, 2009 Treasurer's Reports would need to be approved.

Sieh motioned, seconded by Kruse, to approve both the December, 2008 and January, 2009 Treasurer's Reports and pay all bills. Motion carried by roll call vote, all present voting yes.

PUBLIC COMMENTS

Koehlmoos told the Board that Tom Kaiser of Farwell had contacted the NRD regarding a road structure in Howard County that had been altered. Koehlmoos said that he had advised Kaiser he could address the Board during Public Comments if he so desired, but that the NRD's agreement was with Howard County and not with Kaiser.

ELECTION OF OFFICERS, NARD REPRESENTATIVE, AND ALTERNATE, AND RC&D DELEGATES

Chairman Hadenfeldt directed the Board to the list of officers presented in the agenda and told the Board he no longer wished to serve as Chairman.

Hadenfeldt nominated Gary Kruse for Chairman, seconded by Citta. Dean Rasmussen motioned, seconded by Citta, that nominations cease and an unanimous ballot be cast for Kruse for Chairman. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Citta, Conner, Eschliman, Frenzen, Gellermann, Hadenfeldt, Lightner, Petersen, D. Rasmussen, L. Rasmussen, Sieh, Staab and Thoene. Director abstaining: Kruse. Directors absent: Gutzmer, Nelson, and Smith.

Sieh nominated Joe Citta for Vice-Chairman, seconded by Adams. Eschliman motioned, seconded by Staab, that nominations cease and an unanimous ballot be cast for Citta for Vice-Chairman. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Conner, Eschliman, Frenzen, Gellermann, Hadenfeldt, Kruse, Lightner, Petersen, D. Rasmussen, L. Rasmussen, Sieh, Staab and Thoene. Director abstaining: Citta. Directors absent: Gutzmer, Nelson, and Smith.

Conner nominated Jim Adams for Treasurer, seconded by Citta. D. Rasmussen nominated Rollie Amsberry for Treasurer, seconded by Staab. Hadenfeldt asked for additional nominations, and with none being heard, closed nominations. He directed Schultz to count the written ballots. He then turned over the chairmanship to Kruse. Kruse announced Amsberry had received the most ballots and was elected Treasurer.

Frenzen nominated Darwin Anderson for Secretary, seconded by Gellermann. Sieh motioned, seconded by Citta, that nominations cease and an unanimous ballot be cast for Anderson for Secretary. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Citta, Conner, Eschliman, Frenzen, Gellermann, Hadenfeldt, Kruse, Lightner, Petersen, D. Rasmussen, L. Rasmussen, Sieh, Staab and Thoene. Director abstaining: Anderson. Directors absent: Gutzmer, Nelson, and Smith.

Citta nominated Dean Rasmussen for NARD Representative and Virgil Gellermann as alternate, seconded by Eschliman. Motion carried by roll call vote, all present voting yes. Directors voting yes: Adams, Amsberry, Anderson, Citta, Conner, Eschliman, Frenzen, Hadenfeldt, Kruse, Lightner, Petersen, L. Rasmussen, Sieh, Staab and Thoene. Director abstaining: D. Rasmussen, Gellermann. Directors absent: Gutzmer, Nelson, and Smith.

Citta nominated Dean Rasmussen as delegate to the Loup Basin RC&D and Lyle Rasmussen as alternate, seconded by Staab. Motion carried by roll call vote, all present voting yes.

Frenzen nominated Jim Lightner as delegate to the PrairieLand RC&D and Craig Frenzen as alternate, seconded by Eschliman. Motion carried by roll call vote, all present voting yes.

APPOINTMENT OF VARIANCE COMMITTEE AND WATER RESOURCES COMMITTEE MEMBERS

D. Rasmussen motioned, seconded by Petersen, to elect Thoene to the Variance Committee and Eschliman as an alternate. Motion carried by roll call vote, all present voting yes.

Citta motioned, seconded by Eschliman to elect Adams and Hadenfeldt to the Water Resources Committee. Motion carried by roll call vote, all present voting yes.

DESIGNATION OF OFFICIAL NEWSPAPERS AND BANKS

Koehlmoos told the Board that the District utilizes the following newspapers for meeting announcements and legal notices: The Albion News, The Burwell Tribune, The Custer County Chief, The Columbus Telegram, The Greeley Citizen, The Nance County Journal, The Ord Quiz, The Phonograph-Herald, The Ravenna News, and The Sherman County Times; and uses the Grand Island Independent as a District-wide daily publication.

Koehlmoos said that TierOne in Ord is the main repository for NRD funds; but First National Bank in Ord would serve as the secondary repository.

Hadenfeldt motioned, seconded by Frenzen, to approve the official newspapers and banks. Motion carried by roll call vote, all present voting yes.

FORESTER'S REPORT

North Central District Forester Rich Woollen directed the Board to his written report and said that he continues to do a lot of work on forest fuels management in the northern sections of his district. He said additional grant funding had been sought for the work in 2009. He said that a conservation tree workshop had been held to help new TSP staff with work on design procedures, species selection and other components. He said that new payment rates are now available from the Nebraska Buffer Strip Program. He said re-enrollments are being accepted in the program. Woollen said there had been some new enrollments, also.

NRCS REPORT

Tim Schaaf, District Conservationist in the Lower Loup NRD, said that the EQIP sign-up deadline had been extended. He said that the NRD might have to seek a grant in order to continue funding pivot conversions through EQIP. He said that the grant would be written in his office and would need to be submitted by March 3rd.

ENGINEERING REPORTS

Big Slough Replacement Chute

District Engineer Robert Mohler told the Board that he had prepared a set of plans for a replacement about 100 yards upstream of the old chute. He said he was ready to discuss the plans with contractors and had already talked with the county about doing some of the dirt work. He said that the county would proceed with the work after the beginning of the new fiscal year. He said the replacement chute would include a cutoff wall, made of either poured concrete or steel sheet piling. He said the job wasn't big enough to advertise for bids, but that he hoped to negotiate with available contractors to get the job done.

FEMA Hazard Mitigation Plan

Mohler told the Board that the first round of meetings with community representatives would be held in February. The meetings would start the process of gathering the proper information from the community representatives to get the planning started. He said the meetings would be in Broken Bow on February 11th, Genoa on February 17th, and Ord on February 18th. He directed the Board to a press release on the meetings included in the agenda.

Brandenburgh Lake Association

Mohler told the Board that he had met with people from the lake association. He said the lake was located in Butler County south of the Loup River. He directed the Board to an aerial photo included in the agenda. He said there were about 80 lots around the lake with about 70 houses or cabins located on them. He said about 35 percent of the residents live there full-time. The quality of the lake water has been deteriorating and it is believed that the cabins/homes septic systems are to blame. He said that a proposed solution is to pump the sewage 3.5 miles to the treatment system at the community of Bellwood. Mohler said that he had made some estimates of what it would cost to bury a force main to pump the sewage that far.

Mohler provided the Board with a power-point presentation. He said that the land is leased to the cabin owners. He said that the structures range from mobile homes to wood-frame houses. Algae forms on the lake each summer, restricting water sports. Mohler said he talked with the utilities superintendent for Bellwood and was informed that the town had the capacity to handle sewage generated by lake residents. Mohler said the superintendent suggested an on-site sewage system for the lake, which had been done at other nearby lakes. Mohler said he had assembled some preliminary figures to take to the lake association.

Butler County Data

Mohler told the Board he had put together a description of the portion of Butler County that lies within the Lower Loup NRD. He directed the Board to the information included in the supplemental agenda. It contained descriptions of the area and a map. Anderson offered a brief history of the area, which had been transferred from Platte County to Butler County. Anderson said he would be interested in investigating a transfer of the property to Lower Platte North

NRD. Koehlmoos said the transfer would not mean a large loss of tax base to the Lower Loup, but the constituents, who have always been part of the Lower Loup NRD, would face a much higher tax bill under the levy of the Lower Platte North. Koehlmoos said that, without a request from the landowners in the area, it would not seem appropriate to move the District boundary.

PUBLIC COMMENT (Cont.)

Tom Kaiser of Farwell told the Board that approximately 30 years ago, Howard County and the NRD had put in a road structure that now backs water up onto his property, affecting his ability to run a center pivot. He said that he desired a larger tube in the structure so that water drained better and did not back up on his property. Koehlmoos said the NRD's agreement was with Howard County and not with Kaiser. He said the County had not made any request for a change. Kaiser introduced Rance Lierman, a Howard County Commissioner. Koehlmoos said that the NRD would need to receive an official request from the County to modify the agreement. Lierman said that he would request that letter from the County Attorney.

INFORMATION AND EDUCATION REPORT

Land Judging Steering Committee

Information & Education Coordinator Larry Schultz told the Board that the State Land Judging Committee met December 22nd in Lincoln. The group discussed the 2008 contests and discussed some minor changes to the process. He said that the Lower Loup NRD will host the 2009 state contest and he would work with Schaaf and the NRCS staff on it.

Schultz directed the Board to the 2009 NARD calendars that had been provided to each Director.

2009 Board Meeting Calendar

Schultz directed the Board to the proposed NRD Board Meeting Calendar and said that meetings were set for the fourth Thursday of each month with the exceptions of November and December. The meetings in those months will be held on the third Thursday to avoid the Thanksgiving and Christmas holidays.

Frenzen motioned, seconded by Staab, to adopt the 2009 Board Meeting Calendar. Motion carried by roll call vote, all present voting yes.

Schultz presented the conservation tree flyers that were mailed out to rural constituents across the District. He said the flyers promote windbreaks, explain cost-share availability, and give options for drip irrigation and weed spraying. Thoene asked if cost-share for trees had gone up and Koehlmoos said that NRCS has adopted a new payment format and is paying based on cost per conservation practice. He said rates have increased, but are based on the new payment format. Gellermann asked if cost-share rates should be increased to spur tree sales and Koehlmoos said that was possible, but would come at the expense of other cost-share programs, like irrigation water management and planned grazing programs.

Schultz also passed to the Board a brochure for the Central Plains Irrigation Conference in Colby, Kansas on February 24-25, 2009.

Statewide I&E Staff Quarterly Meeting

Schultz told the Board that the I&E staff would meet prior to the Legislative Conference in Lincoln. He said the meeting would include the sharing of educational activities.

ASSISTANT MANAGER'S REPORT

Variance Committee

Assistant Manager Russ Callan told the Board that the Variance Committee met earlier in the day to hear for the second time the variance request from Steve Burnett, acting on behalf of Leah Burnett and directed the Board to the Committee minutes included in the supplemental agenda. Burnett had told the Committee that he sought to certify approximately 130 acres in Custer County as irrigated. Staff had approved certification of approximately 110 acres. Burnett said he sought to certify an additional 19.67 acres of hillside that had been denied by staff for irrigated grass.

Amsberry motioned, seconded by Sieh, to approve the Variance Committee recommendation on the Burnett request for the certification of the 130 acres requested as irrigated with the stipulation that the 19.67 acres not be planted to row crops and that the irrigation rights for those 19.67 acres not be available for transfer. Motion carried by roll call vote, all present voting yes.

Callan told the Board that those filing variance requests have been told that no action is likely on those requests until DNR's public hearing process is complete and the designation finalized.

DNR Preliminary Designation of Fully Appropriated

Timeline of Activities

Callan said that the District was notified of the preliminary determination on December 16th. He provided the Board with a power-point presentation on the determination and its impacts. He reminded the Board that the basin was declared based on readings on a gauge on the Platte River. Koehlmoos added that the basin is not being designated based on today's conditions, but at a projected future time (2026).

Partnership Agreement with FA Districts on Technical and Legal Costs

Koehlmoos told the Board that the eight NRDs involved in the lower Platte River Basin decision are considering a coalition to review the criteria used to make the determination. He said that five of the NRDs have already agreed to the partnership. He said the coalition would

hire a third party reviewer and legal counsel where there are concerns about interpretation of the statutes. He said the Board would have to authorize participation in the coalition.

Toene motioned, seconded by Citta, to authorize Lower Loup NRD participation in the coalition. Motion carried by roll call vote, all present voting yes.

Citta said that water management was becoming more labor intensive for the NRD and additional staff will likely be required. He said it was something for which the Board should be prepared.

ELM Update Report

Callan told the Board that the group had met with Steve Peterson about the direction the project would take and application for a grant for the next phase of the ELM Project. He said that would include moving the nodes down to ¼ mile for transfer purposes. He said the other item to consider was development of recharge maps providing more detail. A study of evapotranspiration, including installation of ET gauges, would also be a future element of the project's work. He would also like to get more data on subirrigated meadows and install more monitoring wells and test-hole data information. He said the grant application would be brought to the NRD Board for review in February. He said it would require a 20 percent local match from the participants.

MANAGER'S REPORT

Contract Agreement with DEQ to Abandon City Wells

Koehlmoos told the Board that DEQ has funds available for communities to abandon wells within wellhead protection areas. Koehlmoos said the NRD had received interest in the funding from Broken Bow, Belgrade, Ravenna and Mason City. He said well contractors have submitted bids for the work at a total cost of \$5,550 and he had submitted a contract to DEQ for their review. He said NRD participation would be done through the well abandonment program up to its maximum, with DEQ picking up the rest.

Gellermann motioned, seconded by Staab, to approve the contract agreement with DEQ on the abandonment of city wells. Motion carried by roll call vote, all present voting yes.

Building Progress Report

Koehlmoos reported that significant progress had been made. He directed the Board to a Construction Observation Report included in the agenda. He and NRD staff met with the architect for a walk-through. He said Schultz is working on bids for audio-visual equipment for the conference rooms. He said staff planned a phased installation of equipment as budget allows. He said the size of the small conference room was increased. He directed the Board to the pay request for \$175,756.10 included in the agenda.

Gellermann asked about the potential for electronic voting for the new Board room. Koehlmoos said he had considered that idea and would pursue the options that are available.

New Hires

Koehlmoos said that there were no new hires to report.

NARD REPORT

Director's Report

Rasmussen reported that NARD would meet at the Legislative Conference the following week.

Legislative Conference

Schultz asked the Board if there had been any changes in plans for the Legislative Conference and asked Directors to notify him of any modifications in lodging needs.

Edson's Legislative Updates

Koehlmoos said that there were a number of bills pertaining to NRDs and natural resources issues that would be monitored.

Washington D.C. Conference

Schultz told the Board that the primary direct flight to Washington D.C. on Saturday morning was nearly sold out and listed other flight options for the Board to consider. Koehlmoos asked which directors planned to attend this year's conference and Hadenfeldt, Anderson, Gellermann, Frenzen, and Citta indicated they were interested. Koehlmoos referred the Board to the conference schedule in the agenda. Consensus of those attending was to leave on Friday afternoon on a direct flight with Midwest Airlines.

NRC REPORT

Commissioner's Report

Hadenfeldt said the Commission would meet the following week in Lincoln.

RC&D REPORTS

Loup Basin RC&D

Rasmussen said the RC&D had met in Bartlett in December and discussed the oil pipeline project. He said the January meeting was in Dunning. He said LeRoy Jons was retiring as coordinator of the RC&D.

PrairieLand RC&D

Lightner said the RC&D met in December and January. He said at the January meeting, the Shell Creek Improvement Project was discussed. He said students involved in the project would be doing a presentation on Shell Creek at Central Community College-Platte Campus in Columbus. He said the Nebraska Continuous No-Till Project was concentrating on the No-Till on the Plains Winter Conference in Salina, Kansas the following week. He said a grant had been received to offer registration scholarships to 30 participants. He said the group continues to investigate possibilities regarding recycling collections.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 10:26 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, February 26, 2009, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary