

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

August 26, 2010

Ord, Nebraska

The August 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 August 26, 2010. Chairman Kruse called the meeting to order at 5:02 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson, Secretary
Allen G. Conner
Virgil W. Gellermann
N. Richard Hadenfeldt
James F. Lightner
Alan D. Petersen
Lyle D. Rasmussen
Gerald P. Smith
Henry J. Thoene

Rollie D. Amsberry, Treasurer
Joseph L. Citta, Jr., Vice Chairman
Craig E. Frenzen
Michael P. Gutzmer
Gary A. Kruse, Chairman
James C. Nelson
Dean J. Rasmussen
Darwin R. Sieh
Bradley R. Staab
Kim Walden

Directors absent

James J. Eschliman

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Dell Harris, Water Resources Specialist
Tylr Naprstek, Water Modeling Coord.

Russell Callan, Assistant Manager
Robert T. Mohler, District Engineer
Larry D. Schultz, I&E Coordinator

Guests in attendance

Mark Sintek, RC, NRCS, Ord
Al Schmidt, Middle Loup PP&ID, Arcadia
Rich Walters, Kearney
Mike Criss, Sargent
Bill Hart, Sargent

Eugene Bredthauer, Ord
Craig Critel, North Loup River PP&ID, Ord
Bryan Roberts, Sargent
Martin Riddle, Sargent
Dick Kincaid, Kearney

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. The meeting notice was also posted at the NRD Headquarters office in Ord, the NRD web site, and the eight field office locations. He told the Board that the agenda had been modified 24 hours prior to the meeting. “Oconee Bend” was added to the Engineering Report.

Sieh motioned, seconded by Smith, to approve the verification of the meeting notice, adopt the modified 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 July 22, 2010, Board meeting and Public Hearing minutes. Hearing none, Kruse ruled that the July 22, 2010, Board meeting and Public Hearing minutes would stand approved as submitted.

TREASURER’S REPORT

Chairman Kruse directed the Board’s attention to the Treasurer’s Report as published in the regular and supplemental agendas. Koehlmoos told the Board that the bill for \$43,555.00 for the ELM Study is the District’s FY-2011 commitment to the study. He said the Metropolitan Area Planning Agency bill was for the LIDAR flights done on the Loup River and was the balance due on the project after an earlier payment. He said the payment to Orscheln’s was for barbed wire and posts to repair a boundary fence at the Aagaard Farm damaged by the June storms. The Olsson Associates bill was for computer work done on the Area 28 study and the payment request from the city of Fullerton was for part of the work on the Cedar River Bank Stabilization Project.

D. Rasmussen motioned, seconded by Petersen, to approve the August, 2010, Treasurer’s Report and pay all the bills. Motion carried by roll call vote, all present voting yes.

PUBLIC COMMENTS

Al Schmidt of the Middle Loup Public Power and Irrigation District in Arcadia thanked the Board for its financial contribution to the cofferdam put in place to divert water in lieu of the structure that was damaged by flooding. He said that the construction went well and, for the most part, the weather cooperated.

PUBLIC HEARING - FY 2011 BUDGET

Chairman Kruse opened the public hearing on the Lower Loup NRD's FY 2011 Budget at 5:12 p.m. He asked for public comments. None were heard. Kruse asked for comments from the NRD Directors. None were heard.

Koehlmoos told the Board that he had to trim the "Project Construction" budget from \$1.36 million to \$1.25 million and the "Capital Outlay-Buildings" from \$600,000 to \$350,000. He said that \$600,000 was included in the District's "Borrowing Capacity" on the income side of the budget which required an additional \$100,000 in the cash reserves as an offset.

Koehlmoos told the Board that there was an increase in valuations in the District, and the valuation was now at \$7,434,741,757.00 an increase of \$674,559,562.00. He said that the District's property tax levy would be 0.038858. Most of the increase in levy resulted from the levee projects in the Columbus area and consultant work being done in Area 28.

2010 FLOODING ASSISTANCE REQUEST FROM NORTH LOUP RIVER PUBLIC POWER & IRRIGATION DISTRICT

Craig Critel of the North Loup River Public Power and Irrigation District told the Board that his District had participated in FEMA's "Request for Assistance" meeting and are awaiting word on how the agency plans to provide assistance. He said the District has been compiling a list of the work it has completed to repair flooding damage and plan to meet with FEMA officials to discuss exact details of the damage. He said that until a FEMA commitment is received, the North Loup River PP&ID tentatively plans on shouldering 100% of the repair costs. He said Olsson Associates has been hired to do the design work and JP Simons of North Platte would be the contractor for the dam construction. Critel said the dam design would be the same as the Burwell dam.

Preliminary construction estimates stand at about \$4 million. The North Loup River PP&I District wished to request 10 percent of the local costs from the Lower Loup NRD. Kruse asked if the request would be 10 percent of the costs after FEMA funding and Critel said it was likely. Critel said the North Loup River PP&I District was looking at pursuing a 20- to 25-year bond for the project. Sieh expressed concern that FEMA might not be able to provide assistance. Koehlmoos said that until the revenue picture becomes clearer, he recommended that the NRD not make a decision on financial assistance until other funding sources are determined. He said the NRD would need the engineer's estimate of the project and its scope so that the LLNRD budget can reflect the obligation. He said that the NRD might need to spread its contribution over multiple years.

Koehlmoos said that the NRD would like an official written request for assistance from the North Loup River PP&I District. Staff would not be able to make a recommendation until the coming month. Kruse asked what the target for completion would be and Critel said the plan was to be operational by July 1, 2011. Critel said construction on the project was planned to start in mid-September. Frenzen asked if irrigation district customers had been told of the costs and if they were committed to the project and Critel said he was unaware of any negative reaction to

the plan. Koehlmoos said a timetable of irrigation district actions would need to be available to the NRD.

Adams said he felt the NRD and the irrigation district should continue discussions and staff could inform the Board. Harris asked how many acres would be assessed for the project and Critel said it was just under 23,000. Walden asked if a bonding company had been contacted and Critel said two bonding agencies had been contacted and one selected. Walden asked if any other funding sources had been approached and Critel said the NRD, FEMA and irrigation district customers would be the sources.

NRCS REPORT

Resource Conservationist Mark Sintek of the NRCS office in Ord said that District Conservationist Bryce Bauer was unable to attend and he directed the Board to Bauer's report in the agenda. He said that EQIP priorities had been set. There is an upcoming all-employees meeting planned. A job announcement had been posted for the Range Conservationist position in Albion.

FORESTER'S REPORT

Koehlmoos told the Board that North Central District Forester Rich Woollen of the Nebraska Forest Service was unable to attend the meeting. Koehlmoos referred the Board to Woollen's written report included in the agenda.

LOUP RIVERS SURVEY REPORT – RICH WALTERS, TNC

Rich Walters told the Board that the Loup River system had been flown by helicopter to document invasive species in the basin. He provided a power point presentation on the work and information on the steps in the documentation process. A GPS camera was utilized to document the invasive species and the state of water flows in the river. He said that the river system was in good shape regarding invasive species. Several areas of native phragmites were discovered on the Loup system. Walters provided a slide showing some areas with apparent introduced phragmites. Gutzmer asked if the non-native phragmites was found in disturbed spots and Walters said it appeared to be just random areas of the river. Walters said there were also some random spots of purple loosestrife on the South Loup. Gutzmer asked if the loosestrife was documented because it was blooming and Walters said it was.

Koehlmoos asked if smaller tributaries were investigated and Walters said only the main channels were flown. Walters said that the cost for the Loup River Study was lower than expected, approximately \$5,000 in cost to the LLNRD. Koehlmoos asked what the next step would be and Walters said it would likely be personal visits to the sites with potential infestations. Gutzmer asked if any salt cedar was found and Walters said there was not. Nelson asked when phragmites should be sprayed and Walters said any time from now through the first freeze. Koehlmoos asked what the timeline for control of the invasive species would be. He said that now that site identification was complete and ground truthing was underway, he wondered when the county weed control authority would begin spraying and was told it would begin prior to October 1st.

The Board took a 5-minute recess at 6:17 p.m. The meeting resumed at 6:22 p.m.

2010 FLOODING ASSISTANCE REQUEST FROM EUGENE BREDTHAUER

Eugene Bredthauer provided the Board with a power point presentation on the June flood damage to his farm dam. He said the dam provides protection to the village of North Loup. He informed the Board that water also went over the dam in 1990. He has been told that repairs would cost an estimated \$20,000 to \$40,000. He wasn't sure about the benefits to the village of North Loup. Sieh asked how much silt was at the dam prior to the flood and Bredthauer said he didn't know. He said water was 23 feet deep at the dam. Mohler estimated siltation at 6 to 8 inches.

Sieh asked how large the lake was and Bredthauer said it was 50 acres. Adams asked how many acres drained to the dam and Bredthauer said over 20,000 and Mohler said about 38 square miles drained to the area. Sieh asked where the dam was located and Bredthauer said it was about 4½ miles northwest of North Loup. Koehlmoos said that the NRD would require better estimates on the repair costs and other data for the Project Participation Policy. Lyle Rasmussen asked for what size storm would the dam provide protection for North Loup and Mohler said that the dam would handle a 15-year flood event. He said that with a 200-foot spillway, it could be made to handle a 30-year flood. He said that to meet current dam design standards, he would include a 200-foot spillway and increase the top elevation of the dam by 2.5 feet with corresponding sideslopes. Mohler said it would require significant funding to meet current standards. Gellermann asked if there were any other structures upstream and Bredthauer said there was not. He went on to say, "I think we'd put it back in if we could get a little help to do it."

VALUATION IRREGULARITY FROM PLATTE COUNTY

Koehlmoos told the Board that the District had been notified by the Platte County Assessor that a taxable personal property exemption had been received late. He said that the assessor was required to put the valuation on the tax rolls and it has been appealed. If the appeal is approved, any taxes collected on the valuation would have to be reimbursed. He said he checked with the State Auditor and he was advised to budget the funds to cover a repayment, should the appeal be granted. Citta asked if there would be interest and Koehlmoos said he was told the original amount would be returned. Koehlmoos said information was included in the agenda.

PUBLIC HEARING ON LLNRD FY-2011 BUDGET

Koehlmoos directed the Board to the Notice of Budget Hearing included in the agenda. He said the 0.038858 tax rate was used as the published levy, matching the levy from the previous year. The District valuation had changed several times, but currently stood at \$8,422,012,332, which was a growth of \$476,461,811. He said that there were several options available to the Board.

The options were as follows:

1. No change – Take chance on appeal. State and local auditors say “No!”
2. Add \$150,000 to Special Projects to cover possible tax refund. No other changes with valuation.

Drops levy to	0.036191
	- <u>0.038858</u>
	- 0.002667

3. Do #2, plus change Stock on Hand, which was cut to get levy to last year’s level. Was \$107,750.00; would be revised to \$136,308.00.

Levy:	0.036550
	- <u>0.038858</u>
	- 0.002308

4. Do #2 and #3, and raise Project Construction Costs to last year’s levy. Was \$2,380,757.00 --

Changed to	\$1,328,000.00
	+ <u>172,000.00</u>
	\$1,500,000.00

Property tax requirement \$371,559.00 (12.86%)
Levy down by -0.000143

There was discussion regarding the figures presented and the Board’s desire was to maintain the levy at the previous year’s level.

Sieh motioned, seconded by Citta, to approve the FY-2011 Budget with a property tax requirement of \$3,260,582.58. Motion carried by roll call vote, all present voting yes.

Chairman Kruse closed the hearing at 7:15 p.m.

PUBLIC HEARING - SET FINAL TAX REQUEST FOR FY 2011

Chairman Kruse opened the public hearing to set the NRD’s final tax request for the FY 2011 Budget at 7:16 p.m. He asked for public comments. None were heard. Kruse asked for comments from the NRD Directors. None were heard.

Koehlmoos told the Board a motion would be required to adopt a Resolution for an additional one percent increase, a second motion to adopt a Resolution to set the property tax request, and a third motion to adopt a Resolution to set the tax rate.

Resolution to Approve Additional One Percent Increase

Koehlmoos told the Board that approval of the one percent increase would require a super majority vote of the Board. The additional one percent increases the District's unused budget authority by \$13,432.20.

Gellermann motioned, seconded by Anderson, to approve a Resolution for an additional one percent increase in the budget. Motion carried by roll call vote, all present voting yes.

Resolution to Set the Property Tax Request

Koehlmoos said the Resolution stated the 2010/2011 property tax request be set at \$3,260,582.58 and that a copy would be certified and forwarded to the Platte County Clerk.

L. Rasmussen motioned, seconded by Gutzmer, to approve the Resolution to set the property tax request at \$3,260,582.58. Motion carried by roll call vote, all present voting yes.

Resolution to Set Levy for the Lower Loup Natural Resources District for Fiscal Year 2011

Koehlmoos said the Resolution stated the District property valuation is \$8,422,012,332 and the levy for FY 2011 be established at \$0.038715 per \$100 of property valuation.

D. Rasmussen motioned, seconded by Smith, to set the levy for the Lower Loup Natural Resources District at \$0.038715 cents per \$100 valuation. Motion carried by roll call vote, all present voting yes.

Chairman Kruse closed the hearing at 7:26 p.m.

ENGINEERING REPORTS

Drainage Problem East of Sargent

District Engineer Robert Mohler referred the Board to a letter included in the agenda seeking technical and permitting assistance for an area near Sargent. He referred the Board to a map showing the boundary of the area. He said the area overlapped the former Sargent East IPA area, but had a new boundary line.

Al Schmidt told the Board that an irrigation canal creates a dike in the area and creates drainage issues. He said that the group needs to know whether there could be approval from federal agencies. Koehlmoos said the issues with the Corp of Engineers would need to be resolved before the NRD puts more time and energy into the project. The Board discussed various options that might lead to success for the project.

Toene motioned, seconded by Frenzen, to extend technical assistance to the affected landowners in the area with the drainage issues. Motion carried by roll call vote, all present voting yes.

Big Slough Repair

Mohler told the Board that plans were to wait until water levels dropped to install the proposed concrete block chute. He said the sheet piling on the project is in place. Rather than wait for water levels to drop to install block, riprap could be put in place and the same goals would be achieved.

Lightner asked how thick the riprap would be and Mohler said about 1½ feet.

Frenzen motioned, seconded by Gellermann, to approve Change Order #2 on the Big Slough Repair project. Motion carried by roll call vote, all present voting yes.

Accessibility Retrofits – Davis Creek Recreation Area

Mohler told the Board that the contractor hired by the Bureau of Reclamation has been working on changes at the recreation area. He provided the Board with a power point presentation showing the accessibility work.

Loup River Pictures Near Oconee

Mohler provided the Board with a power point presentation on changes to the Loup River at Oconee Bend since the June flooding. There are concerns that the river is cutting into adjacent crop land and could create a new flow down adjoining channels during flood events.

INFORMATION AND EDUCATION REPORT

Quarterly I&E Meeting

Information/Education Coordinator Larry Schultz told the Board that planning was underway for the annual Environmental Festival. He said the theme for the 2010 Festival was water. Over 300 students from 7 counties will take part in the festival.

Land/Range Judging

Schultz told the Board that the Area 4 Range Judging Contest would be held near Cedar Rapids in Boone County on September 21st. Sherry Asche of the Albion NRCS is in charge of the field portion of the contest.

Schultz said the North Central Land Judging Contest would be held October 14th in Sherman County. Mark Sintek of the Ord NRCS will be in charge of the field portion of that contest.

Governor's Wellness Award

Schultz said the Lower Loup NRD was one of several Districts to win the Governor's Excellence in Wellness Award. The award will be presented at a banquet in Lincoln on October 21st.

Schultz said the NRDs would be represented at both the Nebraska State Fair and Husker Harvest Days. Both events will be held in Grand Island. Directors Anderson and Dean Rasmussen have volunteered to work in the natural resources tent at Husker Harvest Days.

Schultz confirmed reservations for lodging at the NARD Conference in Kearney.

ASSISTANT MANAGER'S REPORT

Groundwater Management Area Activities

Water Resources Committee Recommendations

Assistant Manager Russell Callan said that the Water Resources Committee met on August 18th and discussed the ranking criteria for the LB 483 acres. The Committee recommended doubling the points given to soil classification as part of the ranking process.

Nelson motioned, seconded by Adams, to approve the Water Resources Committee recommendation to double the points awarded to soil classification as part of the LB 483 ranking process. Motion carried by roll call vote, all present voting yes.

Callan said the Committee discussed the adoption of the new stream depletion factor map generated following the completion of Phase II of the ELM Study. He said that the second phase allowed for better definition of the areas of high stream depletion.

Nelson motioned, seconded by Adams, to approve the Water Resources Committee recommendation to adopt the new Phase II stream depletion factors. Motion carried by roll call vote, all present voting yes.

Callan said the Committee discussed instances where landowners applied for new irrigation on one set of acres, then transferred those acres to poorer ranking property, and reapplied for irrigation on the first set of acres.

Nelson motioned, seconded by Gellermann, to approve the Water Resources Committee recommendation that land from which irrigated acres have been transferred not be eligible for application for new LB 483 acres. Motion carried by roll call vote, all present voting yes.

Callan said the Committee discussed limits on the number of irrigated acres transfers each calendar year. He said that the Committee agreed to recommend a limit.

Nelson motioned, seconded by Adams, to approve the Water Resources Committee recommendation that a landowner cannot transfer the same irrigated acre(s) more than one time per calendar year. Motion carried by roll call vote, all present voting yes.

Callan said that some changes to the NRD Groundwater Management Rules may be required. He said the Water Resources Committee would meet in September to discuss the new rules and a public hearing could be held in October.

Irrigated Acres Certification Progress

Callan said the work continues and there was nothing new to report.

Area 28 Activities

Callan said that Brian Kolar continues to survey wells in Area 28. He said 584 wells have been completed. He and Naprstek met with Karen O'Conner of Olsson Associates to discuss monitoring well locations.

ELM Update

Water Modeling Coordinator Tylr Naprstek told the Board that the Lower Loup NRD would host a meeting the next day of the participants in the ELM Study. He said that the meeting would involve conceptual model discussion.

Naprstek said that the drilling of six test holes had been completed. He said one site proved to be a poor location due to poor geology and that another site was utilized.

MANAGER'S REPORT

NARD Tree Program Interlocal Agreement

Koehlmoos said that the new agreement had been received from the Association. It included a change that stated that the charge for administration would not exceed 3 cents per tree. He said staff recommended approval of the agreement.

Frenzen motioned, seconded by Anderson, to approve the NARD Tree Program Interlocal Agreement and authorize the General Manager's signature. Motion carried by roll call vote, all present voting yes.

TransCanada, Keystone XL Pipeline Update

Koehlmoos said that he had some contact with Keystone representatives and that correspondence had been received addressing some concerns he had with the project. He directed the Board to information sheets provided by Keystone that address the project.

New Hires

Koehlmoos reported that there were two applicants for the Range TSP position in Burwell and that he and Bryce Bauer interviewed them both. The job was offered to Eric Schacht who accepted the position. He said Schacht was from the Lincoln area and graduated from UNL.

NARD REPORTDirector's Report

D. Rasmussen said the NARD Board would meet at the NARD Conference in Kearney in September.

2010 Annual Conference – Resolutions

There was no discussion.

2010 Annual Conference – Voting Delegate and Alternate

Motioned by Citta, seconded by Anderson, to name Dean Rasmussen as Voting Delegate and Virgil Gellermann as Alternate for the 2010 NARD Annual Conference. Motion carried by roll call vote, all present voting yes.

NRC REPORTCommissioner's Report

Dick Hadenfeldt said that the Natural Resources Commission would meet in September.

RC&D REPORTSLoup Basin RC&D

D. Rasmussen told the Board that the RC&D had met twice, in Ericson and in Ord. He said minutes from the meeting in Ericson were included in the agenda. Glen Gatz of Rural Development made a presentation at the meeting in Ord. He said repairs to damage at Lake Ericson was estimated to cost \$1.6 million. Plans are underway for the annual Junk Jaunt.

PrairieLand RC&D

Lightner said the RC&D met in Battle Creek and toured the community and its new library.

ANNOUNCEMENTS

Callan asked the Water Resources Committee to plan on meeting Wednesday, September 15th.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 8:49 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, September 23, 2010, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary