

# LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

November 18, 2010

Ord, Nebraska

The November 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 November 18, 2010. Chairman Gary Kruse called the meeting to order at 5:05 p.m.

## CALL TO ORDER

### Directors in attendance

Rollie D. Amsberry, Treasurer  
Joseph L. Citta, Jr., Vice Chairman  
James J. Eschliman  
Virgil W. Gellermann  
Gary A. Kruse, Chairman  
James C. Nelson  
Dean J. Rasmussen  
Gerald P. Smith  
Kim Walden

Darwin B. Anderson, Secretary  
Allen G. Conner  
Craig E. Frenzen  
N. Richard Hadenfeldt  
James F. Lightner  
Alan D. Petersen  
Lyle D. Rasmussen  
Bradley R. Staab

### Directors absent

James C. Adams  
Darwin R. Sieh

Michael P. Gutzmer  
Henry J. Thoene

### Staff in attendance

Leon "Butch" Koehlmoos, General Manager  
Robert T. Mohler, District Engineer  
Larry D. Schultz, I&E Coordinator  
Richard Woollen, North Cent. Dist. Forester

Dell Harris, Water Resources Specialist  
Tylr Naprstek, Water Modeling Coord.  
Rita Goldfish, Administrative Assistant

### Guests in attendance

Bryce Bauer, NRCS, Ord  
Gary Laughlin, Lake Ericson

Charlie Krohn, Albion  
Joe Wadas, Lake Ericson

## 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 noted that the agenda had been amended to include item 12b. “Approval of Amendment 1, Flex Benefit Plan.” He verified that the meeting notices were properly published in all newspapers. The amended 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 Staab, 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.**

Chairman Kruse thanked Vice-Chairman Citta for chairing the October Board meeting in his absence.

## MINUTES

Chairman Kruse asked for corrections and/or additions to the October 28, 2010, Board meeting minutes. Hearing none, Kruse ruled that the October 28, 2010, Board meeting minutes would stand approved as submitted.

Koehlmoos thanked Schultz for his work on the Board minutes each month.

## 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 that a bill from Capital Business Systems, Inc. was for a service contract on the black and white copy machine. Koehlmoos said that that machine was now old and the contract cost was increasing. He recommended that the contract not be renewed. He said that the Metro Area Planning Agency payment was the final payment on the LIDAR work done in the District. He mentioned that a proposal from LIDAR work with NRCS would be discussed later in the meeting.

D. Rasmussen asked if the District was purchasing four new pickups and Koehlmoos said that NRCS had purchased those trucks. He said that the NRD had ordered one new pickup.

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

## PUBLIC COMMENTS

There were no comments from the public.

## FORESTER'S REPORT

North Central District Forester Rich Woollen of the Nebraska Forest Service told the Board that conservation tree sales were underway and he passed to the Board a copy of the District's initial inventory. He included the available stock from Bessey Nursery.

Woollen said that the conservation tree booklet was now available as a web site and that Schultz had created a link to it from the Lower Loup NRD site. Schultz demonstrated the page for the Board.

Woollen said that applications for the Nebraska Buffer Strip Program were beginning to taper off. The majority are for re-enrollments, but funding for new enrollments was still available.

Koehlmoos asked if funding from the Corners for Wildlife program was available and Woollen said that it was not.

## NRCS REPORT

District Conservationist Bryce Bauer told the Board that his staff has been working on Activity Based Costs (ABC). He said that the NRCS Accountability Office asked for information on the work completed by each office and the number of hours it took for each task. He said that the data will be used for future staffing decisions. The activity took 40-60 hours per office.

Bauer said that NRCS had received 4 new pickups and would sell off the former vehicles. He said that CSP payments were being made on completed applications and would total \$1.4 million in the NRD.

### Report On November 4<sup>th</sup> Greeley FO Relocation Hearings (moved from Manager's Report)

Bauer said that the meetings regarding the Greeley-Spalding office relocation had been held. There was expected opposition in Greeley and support in Spalding. Koehlmoos said that the NRD notes from the meetings were included in the agenda. Bauer said the comments and the staff recommendations would be forwarded to Washington, D.C. If the national office agrees to the move, bids would be taken for an office location in Spalding. Koehlmoos said that he, Eschliman, Smith, and L. Rasmussen attended the meetings. Eschliman said that Wheeler County would be moved into the office, regardless of the Greeley or Spalding location. Koehlmoos said that the convenience of the cooperators would be the most important factor in the location decision. L. Rasmussen asked where the majority of cooperators were located and Bauer said that there were 30 contracts in Wheeler County and 20 in Greeley County. He said that the Burwell office currently handles about 90 contracts, but with the move of Wheeler County contracts, that would drop to 60, and increase Greeley County to 50. Some producers have requested their Wheeler County contracts remain at the Burwell office.

New LIDAR Project with NRCS (moved from Manager's Report)

Koehlmoos directed the Board to information included in the Manager's Report and the supplemental agenda. He said that he was notified by Bauer that the NRCS was expanding the LIDAR work completed in the eastern part of Nebraska into the rest of Nebraska. NRCS is seeking participation and partnership in the LIDAR project with the NRDs based on the percentage of area covered. He said the NRD had previously spent approximately \$60,000 to do LIDAR work in Platte and Nance Counties. Koehlmoos said he had suggested that the work be done first in Boone and Platte Counties, but that was denied as planning on the project had been completed. The cost to the District would fall between \$9,151 and \$12,201. He said that the project would provide valuable data for the District. Koehlmoos said that costs would vary depending on how much of the LLNRD was covered. The agreement was similar to the agreements the agencies used in doing soil surveys, and it was his recommendation to pursue participation in the project.

L. Rasmussen asked what the scale on the maps would be and Bauer said the LIDAR would show two-foot intervals. Callan said the digital maps could be printed at any scale. Bauer said the LIDAR would provide very detailed topographic maps. Koehlmoos said the work would be done when the leaves are off the trees and the crops are out of the field. Frenzen asked if the project would provide any budget issues and Koehlmoos said that it could, but future costs were unknown at this time. Bauer said that NRCS budget constraints could also affect how much work could be completed. Smith asked if LIDAR used infrared photography and Callan said that it utilized laser imaging. Bauer said that NRCS pays for the LIDAR photography and the NRDs share would be for work to "clean up" the data for use. Koehlmoos said that Lower Platte North, Central Platte, and Lower Platte South NRDs have approved the project and Nemaha NRD is considering it. Bauer said that the LIDAR work was started in eastern Nebraska due to the number of dams in that part of the state.

**Citta motioned, seconded by Anderson, to participate in the LIDAR project with NRCS at an appropriate contribution based on land area, not to exceed \$12,000, and to authorize the General Manager's signature on the agreement. Motion carried by roll call vote, all present voting yes.**

Koehlmoos said Nebraska had a new State Conservationist and Bauer said that Craig Derickson has been appointed to succeed Steve Chick in the position.

ENGINEERING REPORT

Mira Creek – Bredthauer Dam

District Engineer Robert Mohler told the Board that he had attended a meeting of the North Loup Village Board regarding the Bredthauer Dam. The village is acting as an "interested bystander" and was monitoring the situation. The village sent Bredthauer a letter encouraging his action on repairing the structure. Mohler said that the village had not taken any action on the issue. Kruse asked if they would act on it in the future and Mohler said he did not expect any action. D. Rasmussen agreed that no action was likely to come from the village. Koehlmoos suggested that the lines of communication between the NRD and all interested parties be kept open, but until Gene Bredthauer takes action, the District would not take action either.

### Lake Ericson Spillway Repair

Mohler introduced Joe Wadas of the Ericson Lake Corporation. Mohler said that the corporation had received a letter turning down its request for assistance on repairs to the spillway. Mohler referred the Board to a paragraph from the NRD's agreement with the corporation, which places responsibility for repairs on the corporation.

Joe Wadas told the Board that the corporation has 60 days to respond to the denial of FEMA assistance. He said that financial assistance might be available if the NRD, as a public entity, was the applicant. The corporation is a private, non-profit corporation. Lake Ericson dam is considered a flood control dam according to DNR. Wadas said the corporation could also form a Sanitary and Improvement District (SID) or Improvement Project Area (IPA) and assess the costs to the affected landowners. Wadas said he was working with Senator Ben Nelson's office on a USDA grant application to fund repairs. He said the dam could also be outfitted to generate hydroelectric power. He has requested assistance from Congressman Adrian Smith's office. The corporation's "private, non-profit" status is detrimental on many of the grant applications and the group will look into changing that status. He said dues from the group's members are voluntary. TransCanada Corporation had provided the group with \$25,000 and those funds will be used to pay Roger Frahm, the contractor who has done much of the reconstruction work.

Walden asked what options FEMA had offered and Wadas said that if the NRD were the applicant, FEMA funding might be available. Walden asked if the SID would take ownership of the lake if one were formed and Wadas said that would likely be the result. Citta said the SID would also allow taxing authority and would then qualify the group for other funding. Koehlmoos said that the first step will be to get approval from DNR to continue storing water in the lake. He said without that approval, nothing else can proceed. Wadas said the lake property is valuable to the County, valued at \$5.2 million compared to the combined valuation of Bartlett, Ericson and the Spalding-Ericson Livestock Market of \$4.6 million.

Wadas asked if the NRD would consider carrying a grant application on behalf of the Ericson Lake Corporation and Koehlmoos said the District would need more information before a decision could be made.

## INFORMATION AND EDUCATION REPORT

### Land Judging

Information & Education Coordinator Larry Schultz told the Board that the State Land Judging Contest was held in Norfolk on November 3<sup>rd</sup>. Conestoga, Wisner-Pilger, Red Cloud, Pender, and Franklin qualified for the national land judging contest in Oklahoma City in May. Three teams from the Lower Loup competed -- Ord, Twin River and Fullerton.

Schultz said the Lower Loup NRD and NRCS hosted the North Central Contest near Ord on October 14<sup>th</sup>. That contest was won by the Fullerton team of Jamie Frenzen, Christina Small, Chelesa Sonderup, and Abbie Hamilton. Frenzen finished first individually.

### Annual Awards Dinner

Schultz told the Board that the Annual Awards Dinner was scheduled for the next monthly Board meeting on December 16<sup>th</sup>. Schultz said that it had been suggested that the dinner follow the meeting rather than precede it. Koehlmoos said that holding the meeting prior to the dinner would mean less time constraints on the awards dinner and the award presentations. Koehlmoos suggested that the NRD Board meeting could be moved to 4:30 p.m. and the dinner could begin at 6:30 p.m.

**Eschliman motioned, seconded by Staab, to begin the December Lower Loup NRD Board of Directors meeting at 4:30 p.m., followed by the District's Annual Awards Dinner. Motion carried by roll call vote, all present voting yes.**

### NARD Washington, D.C. Legislative Conference

Schultz told the Board that seats on Frontier Airlines, with a direct flight from Omaha to Washington, were filling up for the dates of the conference. He asked that Directors planning to attend the Conference notify him of their intentions. Gellermann, Frenzen, Eschliman, Anderson, and Hadenfeldt indicated interest in attending the conference.

Schultz told the Board that NARD asks each District to compile a timeline of its actions to manage groundwater quantity and quality. He passed to the Board copies of data compiled by the Lower Loup staff.

## ASSISTANT MANAGER'S REPORT

### Variance Committee Meeting

Assistant Manager Russell Callan said the Variance Committee met earlier in the day and heard two variance requests. Each was heard for the first time and a committee recommendation will be made in December.

### LB483 Acre Applications

Callan provided the Board with a power-point presentation on the applications for new irrigated acres allowed under LB483. Callan said each application was reviewed and ranked utilizing the criteria established by the Board. He said that staff then checked with the County Assessors to determine that each applicant was the actual owner of the property, and each application was checked for prior irrigation transfers. NRD technicians then visited each of the application locations to be sure the land could be irrigated and photographs were taken.

Callan told the Board that the Variance Committee made a recommendation to approve new irrigated acres and the associated new groundwater wells in the Lower Loup NRD for the applications scoring 258.87 points or more utilizing the priority ranking process. He said each applicant gets a copy of their ranking sheet with the breakdown on their application's score. Callan said he was pleased with the success of the ranking system. The recommendation covered 2,002.62 acres, and the top application scored 476.15.

**Eschliman motioned, seconded by Citta, to approve the recommendation of the Variance Committee for approval of new irrigated acres and the associated new groundwater wells in the Lower Loup Natural Resources District for the applications scoring 258.87 points or more per the priority ranking process. Motion carried by roll call vote, all present voting yes.**

Walden asked if the review of applications found any parties making applications for properties that they did not own and Callan said that, unlike the prior year, no such applications were found. Koehlmoos said that one of the applications will likely result in a “cease and desist” order from the NRD. Callan said more details would be forthcoming in a future meeting.

Lightner asked what percentage of applications were approved and Callan said approximately 20 percent of the applications received approval.

### Groundwater Management Area Activities

#### Irrigated Acres Certification Progress

Callan said there was no report.

#### Area 28 Activities

Callan told the Board that Olsson Associates had completed the monitoring wells and 12 had been drilled. Landowners in the area were very cooperative in granting easements for the wells. NRD staff had a video conference with Karen O’Connor of Olsson Associates to go over the study’s progress.

Callan said the annual reports for Area 28 would be sent out to producers for completion in the coming weeks.

### ELM Update

Callan said that the ELM Technical Group met with USGS and reviewed the test hole logs and viewed reports on the geophysical work that had been completed. He said the group discussed the work completed with the USGS staff involved.

## MANAGER’S REPORT

### 2010 General Election Results

Koehlmoos referred the Board to the election results included in the supplemental agenda.

### New Hires

Koehlmoos reported that there were no new hires.

## NARD REPORT

### Director's Report

D. Rasmussen said the NARD Board had met at Bloomfield and toured a wind power generation farm. The turbines spun at 280 miles an hour and farmers received between \$4,000 and \$6,000 annually in rental payments for each generating turbine. The biggest issue for the turbines is lightning.

D. Rasmussen said that the NARD Board met in Crofton on November 8<sup>th</sup> and received a report that the Association's financial report showed the organization in good financial condition. He said that the NARD Board voted to increase the office space at the NARD office in Lincoln by renting the entire floor for the Association headquarters. The 2011 NARD Annual Conference in Kearney will be held in the new convention center. The conference auction raised \$15,000 for the NARD Foundation. D. Rasmussen reported that the Legislature will face \$1.4 billion less in revenue in the coming year. Papio-Missouri River NRD is defending against a \$75,000 lawsuit from hunters upset with a levee project that changed the flight paths of waterfowl.

Kruse asked if the expansion at the NARD headquarters meant more office space and D. Rasmussen said it would. Koehlmoos said the expansion worked well because offices on the same floor were being vacated by the current tenant. The expansion will mean more parking, a new conference room, and more space for staff.

### Approval of Amendment 1, Flex Benefit Plan

Koehlmoos reported that changes in federal laws have resulted in an amendment to the Flex Benefit Plan. The change has been approved by the NARD Benefits Committee, the NARD Managers Group, and the NARD Board of Directors. The amendment adapts the Flex Benefit Plan to the requirements of the new federal laws.

**Frenzen motioned, seconded by Petersen, to approve Amendment 1 to the Flex Benefit Plan and authorize the General Manager's signature. Motion carried by roll call vote, all present voting yes.**

## NRC REPORT

### Commissioner's Report

Dick Hadenfeldt said that the members of the Natural Resources Commission held Committee meetings the previous day. The Commission had met earlier in the day and discussed how to proceed without monies in the Natural Resources Development Fund. The Pigeon Jones project had been approved, but received no funding. He said the Commission voted to not accept any new applications until funding for the projects is available; it could be five or six years before any money becomes available. Kruse asked how many projects were on the list and Hadenfeldt said he thought there were about six listed, totaling about \$30 million. There is another 10-12 potential projects. Hadenfeldt said there was talk about a potential cap on the amount of funds that could be committed to any one project.

Cuts in Legislative spending might not affect the Natural Resources Development Fund, but would likely affect the Integrated Water Management Fund. Callan said that was the fund that provided monies to the ELM project. Koehlmoos said NSWCP funds could also be on the budget cutting list.

## RC&D REPORTS

### Loup Basin RC&D

D. Rasmussen told the Board that he was unable to attend the RC&D meeting in Callaway due to a medical issue.

### PrairieLand RC&D

Lightner said the RC&D met on November 8<sup>th</sup> with the Lower Platte North NRD Board of Directors in Newman Grove. Students from Newman Grove presented their water quality report to both Boards.

## ANNOUNCEMENTS

There were no announcements.

## ADJOURNMENT

With no further business before the Board, Chairman Citta declared the meeting adjourned at 6:55 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, December 16, 2010, at 4:30 p.m., at the Headquarters Office in Ord, Nebraska.

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Darwin B. Anderson  
Secretary