

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

July 24, 2014

Ord, Nebraska

The July 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 July 24, 2014. Chairman Kruse called the meeting to order at 5:01 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson, Secretary
Virgil W. Gellermann
Thomas Knutson
Clifford P. Loseke
James C. Nelson
Dean J. Rasmussen

Rollie D. Amsberry, Treasurer
Timothy E. Bartak
Michael P. Gutzmer
Gary A. Kruse, Chairman
Matt Lukasiewicz
Alan D. Petersen
Gerald P. Smith

Directors absent

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

James J. Eschliman
Randy Kauk
Henry J. Thoene

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Irene F. Kreifels, Financial Secretary
Phillip Hill, Shop/Recreation Manager
Larry D. Schultz, I&E Coordinator
Anne Freeman, Water Programs Secretary
LeeAnn Smith, Water Programs Assistant

Russell G. Callan, Assistant General Manager
Rita A. Goldfish, Administrative Assistant
Cheryl K. Hornickel, Programs Assistant
Tylr D. Naprstek, Water Modeling Coordinator
Richard L. Woollen, District Forester
Jane Klanecky, Receptionist

Guests in attendance

Matt Glesinger, RC, NRCS, Spalding
Mark Koch, Sargent

Eugene Bredthauer, Ord
Marvin Scheideler, North Loup

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 and that the meeting notice was also posted at the NRD Headquarters office in Ord, the NRD web site, and the eight field office locations. Koehlmoos said there were no modifications to the agenda.

Adams motioned, seconded by Petersen, 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 June 26, 2014, Board meeting minutes. None being heard, Chairman Kruse ruled the June 26, 2014, minutes 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 highlighted payments to Cornhusker Press (\$3,500.00); Dunbar-Peterson Insurance Agency (\$39,397.00); USGS (\$26,865.00); Capitol One Bank (\$1,236.94); and Ward Labs (\$1,944.62). Koehlmoos commented that the Area 28 flowmeter cost-share program is going well. He said there are approximately 400 wells in Area 28; cost-share has been applied for on 254 wells; and cost-share has been paid on 104 wells. Koehlmoos said that cost-share rates are determined per calendar year and that the landowner has 9 months from the approval date to get the flowmeter installed.

Rasmussen motioned, seconded by Loseke, to approve the July, 2014, Treasurer’s Report and pay all bills. Motion carried by roll call vote, all present voting yes.

PUBLIC COMMENTS

There were no public comments.

FORESTER’S REPORT

District Forester Rich Woollen reported that the NRD’s Community Forestry Program and the state’s ReTree Nebraska program were two funding opportunities for replanting storm-damaged trees.

Woollen directed the Board's attention to the seedling sales report for 2014. He said he tallies the report by field office and by species, and reported that a total of 85,971 trees were sold.

Woollen reported that there will be an educational initiative coming out soon to reinitiate an interest in tree planting in the state. He was hopeful the NRD, NARD and NRCS could work together to boost interest.

Koehlmoos said that Halsey sold around 800,000 trees and Lower Loup NRD bought over 10% of those trees.

Woollen reported that there is funding available through the Nebraska Forest Service for wood energy conversion. He said cost-share programs are available through grants for establishing woody biomass utilization markets, specifically for heating and cooling and for generating electricity. He said the funding originated from the Wildfire Control Act of 2013, which calls for the development of markets for woody biomass generated from forest thinnings. He said that although there aren't forest thinnings in all parts of the district, a wood waste study done a few years ago showed there is a significant amount of wood waste around.

Woollen said that renovation work needs to be done on shelterbelts and windbreaks. He said several windbreaks have been taken out due to drought, but hopes they can be reestablished. He said there is cost-share money available for renovations.

NRCS REPORT

Matt Glesinger, Resource Conservationist in Spalding, reported that he had been in Lincoln for a couple weeks reviewing contracts from across the state. He said Marie Schmeits did a great job keeping the Spalding office running smoothly.

Glesinger said that NRCS personnel are working on the Conservation Stewardship Program ranking and contracting. He reported that there were 84 contracts in the Lower Loup NRD, which is 25% of the contracts in the state. He said CSP contracts run for 5 years, and those that were approved in 2010 and due to expire soon will be given the opportunity to re-enroll for another 5 years without having to compete for the dollars.

Glesinger also reported that several counties are very interested in cover crops and a lot of EQIP money went toward that in 2014. He said there is a nationwide push for cover crops which help soil quality and erosion control.

Glesinger said that NRCS had just received a cover crop initiative for crops damaged by recent storms. He said there will be a special EQIP sign-up to establish cover crops this fall to replace some of the biomass and residue that the farmers are going to lose because of the damaged and destroyed crops.

Glesinger reported that they have started management of haying and grazing contracts.

INFORMATION AND EDUCATION REPORT

Quarterly I & E Meeting

Information & Education Coordinator Larry Schultz reported that the I&E group met in O'Neill recently for their quarterly meeting. They toured Ashfall Fossil Beds. He said that Erica Hill, the new NARD I&E person, will be starting August 1st.

Schultz reported that volunteers are needed for Husker Harvest Days. He said there will no longer be an NARD booth at the State Fair; instead, there will be static displays of natural resources/conservation activities. He said organizations can sign up to give presentations in the 'conversation pit' and said that some NRDs have done so.

Annual NARD Conference

Schultz said that the NARD Annual Conference will be held in Kearney at the Younes Center. He passed around a sign-up sheet for those directors wanting to attend.

Schultz reported that Pete Ricketts, gubernatorial candidate, had visited the NRD recently to discuss groundwater management and other issues NRDs are facing. He talked with Callan and Schultz. Callan said it was a good meeting. He was impressed that Ricketts asked the NRD's opinion of the water laws in the state.

ASSISTANT MANAGER'S REPORT

Variance Committee

Warren J. Olson Ranch, Inc.

Rollie Amsberry, Chairman of the Variance Committee, reported that the Committee struggled with Olson's request, but decided to approve it with the clauses that the land remain in grass and the acres cannot be transferred. Amsberry said Olson has had the land since 1985, took the pivot off, planted it to grass, and continued to hay/graze it.

Amsberry motioned, seconded by Nelson, to approve the Olson variance request with the exceptions that the land remain in grass and that the 133.5 irrigated acres be non-transferable. Motion carried by roll call vote, all present voting yes.

Water Resources Committee

Callan referred the Board to the Water Resources Committee minutes in the agenda.

Columbus SWL Recharge Project – Christopher Cove

Callan reported that he and Moudry met with the Christopher Cove group recently regarding water quantity issues. Callan received a proposal from the group for possible groundwater recharge projects in the area.

Chemigation Permit Costs

Callan said a bill in the last legislative session allows NRDs to set their own costs for chemigation permit fees. Callan is gathering information regarding office and technician time and costs to process permits. Recommendations will be brought to the Committee.

Abengoa Plant

Callan said the NRD has received a request from the Abengoa plant in Ravenna to increase industrial groundwater pumping. Since this type of a request falls under the NRD's 'large water user' rule, a hydrologic study was done by Jay Bitner and the first draft has been received.

Area 28 Activities

Koehlmoos reported that a hearing with the judge in open court was held on July 10th with Prokop. Six matters were heard by the court, and the court took one of the items under advisement. He said the court has not yet entered its order/decision on any of the matters heard. He said there has been no date set for a final court hearing.

ELM Update

Callan reported that USGS would be conducting ELM Model training sessions at Lower Loup NRD Headquarters on July 29-30. Koehlmoos commented that all the districts involved in the ELM project will be participating in the training. He said the process is winding down and that it has been a super project and is a super tool. Callan said that some funds for the training sessions will come from the IWMPP fund, an 80/20 grant.

PROGRAMS/PROJECTS COMMITTEE REPORT

Bredthauer Dam Proposal

Koehlmoos said that Mark Koch spent about an hour reviewing the proposal with the Committee on July 15th. Lukasiewicz said Koch's presentation was very interesting and well presented. Lukasiewicz said there were issues and unanswered questions about the project regarding permits, public access, and design. He said there was a lot of uncertainty about the project and the Committee didn't feel comfortable moving forward, so the recommendation of the Committee was to deny the request at this time.

Koehlmoos said that Koch, under the Nebraska Public Records Laws, had requested additional information regarding the Bredthauer Dam.

Koch outlined his concerns regarding the Open Meetings Act and gave a 15-minute presentation reiterating items in the proposal.

Marvin Scheideler spoke of erosion problems on his land when flooding occurs. He felt the rebuilding of the dam would help prevent flooding in the North Loup area and benefit the community.

There was discussion about the project being a private structure, engineering assistance, DNR permit, and funding.

Lukasiewicz motioned, seconded by Smith, to deny the Bredthauer Dam request. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Gellermann, Gutzmer, Knutson, Kruse, Loseke, Lukasiewicz, Petersen, and Smith. Directors voting no: Nelson and Rasmussen. Directors absent: Adams, Citta, Eschliman, Hadenfeldt, Kauk, Sieh, Thoene, and Walden.

Copies of CART Letters of Support

Koehlmoos said he had sent letters of support to CART for grant applications.

LLNRD Attendance at County Fairs

Koehlmoos said there had been a decline in commercial exhibitors and the space available for presenters at fairs had been poor and booth costs were increasing. It was suggested by the Committee that the NRD stop participating in county fairs for a couple years and then re-evaluate the NRD position.

Headquarters Road Signs

Koehlmoos said that mock-ups of potential road signs were shown to the Committee. He said he was unsure where the location of the NRD's access road would be due to potential expansion at the motel.

Davis Creek Recreation Area

Water Line Design and Estimates

Koehlmoos said the water line design was in the budget and the Committee recommended that Requests for Bidding (RFB) be sent out to potential bidders. It is hoped that the water lines can be installed sometime this fall.

Lukasiewicz said that the pipe would be a 2-inch line.

Lukasiewicz motioned, seconded by Petersen, that RFBs be sent to potential bidders for the water system and lines at Davis Creek Recreation Area. Motion carried by roll call vote, all present voting yes.

Attendance for 4th of July

Koehlmoos reported that the Valley County Sheriff was unable to park at Davis Creek for the holiday weekend, but made several drive-throughs. Koehlmoos said everything went well this year and attributed it to the security lighting.

Request for Campground Design

Koehlmoos said there is a need for more camp sites at Davis Creek. He said the Committee discussed the development of a new camp site and that there was money in the budget for one. It was the recommendation of staff and the Committee to seek a design. Lukasiewicz said that, eventually, the NRD wants to put in 90 new stalls.

Lukasiewicz motioned, seconded by Knutson, to hire a consultant to design a new campground at Davis Creek Recreation Area. Motion carried by roll call vote, all present voting yes.

Pibel Lake Recreation Area

Koehlmoos said things are moving along well on Pibel Lake construction activities.

Fullerton Power House

Koehlmoos said there is money budgeted for the prospective Fullerton Power House project. He said the Fullerton city administrator will be sending details of the proposed design and plans for trails. Koehlmoos said the presentation will be different than the Phase I and Phase II proposals considered earlier, to provide current numbers.

FY-2015 BUDGET WORK SESSION #2

Callan presented the budget item for Special Projects and highlighted the South Loup River Study. He said he hoped 319 money would be available from DEQ to help fund a portion of the study which is a water quality and water quantity project. He said \$300,000 had been budgeted for the project.

Callan said that the pesticide water quality analysis is cyclical. He said, depending on the project, there may be years where many or just a few samples are taken.

Callan highlighted some of the projects on the Code 438 list -- ET Grant on Water Flowmeters; Area 28 Meter Program; Pibel Lake Sampling Site; IR Digital Aerial Photography; Water Quantity/Quality Monitoring Wells; and USGS Thermal River Study.

Recommended for FY 2015: Special Projects \$1,278,000

Koehlmoos said that some of the money for the programs will be reimbursed through grants and state/federal funds.

Koehlmoos presented budget items for Water Quality Fund - \$99,000; Grant Funds - \$70,000; Scrap Tire Collection - \$21,404; Water Well Decommissioning Fund - \$55,000; and Land Treatment - \$185,000.

Koehlmoos said that the Land Treatment money was used to assist landowners on the application of conservation practices. He said it takes quite a while to get the practices done. There is

\$69,500 approved but not paid and a backlog of applications amounting to \$417,000. Smith suggested that no more applications be accepted until the backlog is taken care of.

Koehlmoos continued with budget items for Project Construction - \$1,000,000; and Assessment Projects - \$11,000.

Koehlmoos said that staff recommends making one-, two- or three-year assessments for FY 2015 for Duncan East IPA and Lost Creek IPA.

Smith motioned, seconded by Anderson, to approve two-year assessments for FY-2015 for Duncan East IPA and Lost Creek IPA. Motion carried by roll call vote, all present voting yes.

Koehlmoos continued with budget items for FEMA Hazard Mitigation Plan - \$0; Stock and Stock Purchases - \$160,000; Machinery & Equipment - \$58,000; Community Forestry Program - \$35,000; Prescribed Burn Program - \$30,000; and Capital Improvements - \$0.

Loseke motioned, seconded by Anderson, to tentatively approve the second half of the FY-2015 budget as presented and discussed. Motion carried by roll call vote, all present voting yes.

MANAGER'S REPORT

Groundwater Coalition Attorney's Summary of Federal Issues

Koehlmoos said Lower Loup NRD is a member of the Groundwater Management Protection Act Coalition which is a group of NRDs that look at state and federal issues. He said EPA is considering changing some rules concerning "Waters of the United States" and that the comment period is open until October 20, 2014.

New Hires

Koehlmoos introduced Phillip Hill, hired to be the Shop/Recreation Manager. He started work on July 14th.

NARD REPORT

Director's Report

Rasmussen reported that the NARD is getting ready for the annual conference in September.

NRC REPORT

Commissioner's Report

Knutson said there will be a special meeting of the NRC on August 13th in Kearney to review recommendations of the Rules Committee on expenditure of the new money that was made available through the Legislature.

RC&D REPORTS

Loup Basin RC&D

Rasmussen reported that he was unable to attend the last meeting.

PrairieLand RC&D

Gellermann said he went on the recent UNL Platte River Water Tour to Colorado and Wyoming. He recommended the tour.

ANNOUNCEMENTS

Rasmussen announced that the tire collection is coming up in Elba.

Koehlmoos said he passed around a copy of *Irrigation Leader* and mentioned an article by Matt Lukasiewicz, an interview with Ron Wolf, NWRA, and the stream augmentation projects of the Upper Republican, Middle Republican, Lower Republican and Twin Platte NRDs.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:16 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 a newspaper in each county within the District. The next Board of Directors meeting will be held Thursday, August 28, 2014, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary