

# LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

February 26, 2015

Ord, Nebraska

The February 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 February 26, 2015. Chairman Kruse called the meeting to order at 5:00 p.m.

## CALL TO ORDER

### Directors in attendance

James C. Adams  
Darwin B. Anderson, Secretary  
Virgil W. Gellermann  
Randy Kauk  
Clifford P. Loseke  
James C. Nelson  
Dean J. Rasmussen  
Gerald P. Smith  
Henry J. Thoene

Rollie D. Amsberry, Treasurer  
Timothy E. Bartak  
N. Richard Hadenfeldt  
Gary A. Kruse, Chairman  
Matt Lukasiewicz  
Alan D. Petersen  
Darwin R. Sieh  
Dean G. Thede

### Directors absent

Joseph L. Citta, Jr., Vice Chairman  
Michael P. Gutzmer

James J. Eschliman

### Staff in attendance

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

Russell G. Callan, Assistant General Manager  
Jason Moudry, Water Programs Specialist  
Cheryl Hornickel, Programs Assistant  
Tylr Naprstek, Water Modeling Coordinator

### Guests in attendance

Bryce Bauer, LDC, NRCS, Ord  
Mike Wells, Twin Loups Irrig. District  
Richard Ferguson, UNL, Lincoln  
Eugene Bredthauer, Ord

Chris Downey, Downey Drilling, Lexington  
Jim Wurtz, North Loup River PP&I District  
Brandon Hanson, Kruml Law Firm, Ord

## 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 items were added to the agenda regarding the stakeholders meeting and legislation.

**Loseke motioned, seconded by Anderson, 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 January 22, 2015, Board meeting minutes. None being heard, Chairman Kruse ruled the January 22, 2015, minutes stand approved as submitted.

## PUBLIC COMMENTS

There were no public comments.

## FORESTER’S REPORT

Koehlmoos said that Rich Woollen was at staff meetings in Lincoln.

## TREASURER’S REPORT

Chairman Kruse directed the Board’s attention to the Treasurer’s Report as published in the regular and supplemental agendas.

Koehlmoos reported that two municipal wells had been decommissioned for the City of Albion, furnace filters installed, and a bill submitted for the steel well house building. He also mentioned an ELM Study expense to USGS for the refinement of groundwater flow models.

**Thoene motioned, seconded by Smith, to approve the February 2015, Treasurer’s Report and pay all bills. Motion carried by roll call vote, all present voting yes.**

## APPOINTMENT OF DIRECTOR FOR SUBDISTRICT #9

Kruse said that Beth Boesch and Bob Bauer were candidates for the Subdistrict #9 director vacancy created by the resignation of Kim Walden. They had attended last month's Board meeting to introduce themselves and give a brief summary of their backgrounds. It was the consensus of the Board that ballots be cast to fill the vacancy. The Board voted 10 to 5, with 1 absence, to appoint Beth Boesch to the seat.

## PRE-HEARING REVIEW OF RULES AND REGULATIONS

Russ Callan, Assistant General Manager, gave a pre-hearing review of the proposed changes and additions to the NRD's rules and regulations.

Callan said the Rule 5 was a legislative change to amend the number of days from ten days to three days that an alleged violator of the rules and regulations can respond and indicate any actions intended.

He said Rule 21 is the addition of the Chemigation Act, a program that has been in operation since 1987. The act gives the NRDs the ability to adjust the cost of chemigation fees. He said the fees would change from \$10 (Renewal), \$30 (New) and \$100 (Emergency) to \$30, \$50 and \$500, respectively.

Koehlmoos said the review was a new format being implemented by the NRD for public hearings, and is intended to give information to the public and allow them an opportunity to ask questions before the hearing.

Mike Wells said a producer had asked him about "fertigation" and if he would need a permit if pumping surface water. Callan said the chemigation act is specific to groundwater and involves any chemicals pumped through the system. When surface water is involved, Callan advises producers to check with their irrigation district to see if a check valve is needed. Koehlmoos said the NRD has equipment to check the backflow device and check valve,

## PUBLIC HEARING – LOWER LOUP NRD RULES & REGULATIONS

Chairman Kruse opened the public hearing on modifications to the Lower Loup NRD's Groundwater Management Area Rules and Regulations at 5:22 p.m. Callan submitted into the record the Lower Loup Natural Resources District Groundwater Management Plan; the revision to the Water Quality Section of the Groundwater Management Plan; the NRD's rules and regulations for the Enforcement of the Nebraska Groundwater Management and Protection Act; a copy of the proposed change to Rule 5 and the addition of Rule 21 for the LLNRD's Groundwater Management Area Rules and Regulations; a copy of the letter requesting testimony from the Nebraska Department of Natural Resources; a copy of the letter requesting testimony from the Nebraska Department of Environmental Quality; a copy of a letter of notice to the Middle Loup Public Power and Irrigation District; a copy of a letter of notice to the North Loup River Public Power and Irrigation District; and Notices of Publication and Affidavits of Publication from newspapers. The

public hearing was posted on District radio stations and on the Lower Loup NRD website. No written testimony was received.

Chairman Kruse asked for testimony from the Nebraska Department of Natural Resources and Callan submitting into the record a copy of a letter from Jim Schneider, Director of the Nebraska Department of Natural Resources.

Chairman Kruse asked for testimony from the Department of Environmental Quality and Callan submitted into the record a copy of the letter from Marty Link of the Department of Environmental Quality.

Chairman Kruse asked for public testimony in opposition to the proposed rule change/addition. No testimony was heard.

Chairman Kruse asked for public testimony from those who are proponents to the proposed rule change/addition. No testimony was heard.

Chairman Kruse asked for neutral testimony to the proposed rule change/addition. No testimony was heard.

Chairman Kruse asked for comments from the NRD Directors. No comments were heard.

Chairman Kruse closed the hearing at 5:28 p.m.

### ACTION ON PROPOSED RULES AND REGULATIONS

**Sieh motioned, seconded by Gellermann, to approve the modification to Rule 5 and approve the addition of Rule 21 to the District's *Groundwater Management Area Rules and Regulations for the Enforcement of the Nebraska Groundwater Management and Protection Act*. Motion carried by roll call vote, all present voting yes.**

Koehlmoos said that, per statute, the rules and regulations now have to be sent to the Department of Environmental Quality for the director's review and approval. He said that step has never been done before, but if the director has any objections, the public hearing process will need to be done again.

### APPOINTMENT OF DIRECTOR FOR SUBDISTRICT #9

**Loseke motioned, seconded by Rasmussen, to ratify the ballot vote of Beth Boesch to the Subdistrict #9 seat. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Gellermann, Hadenfeldt, Kauk, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Sieh, Smith, Thede, and Thoene. Director abstaining: Adams. Directors absent: Citta, Eschliman, and Gutzmer.**

## PROJECT SENSE PRESENTATION

Richard Ferguson, UNL Extension Soil Scientist, gave a powerpoint presentation on *Project SENSE* (Sensors for Efficient Nitrogen Use and Stewardship of the Environment), a new project being launched by the Nebraska On-Farm Research Network that will focus on improving the efficiency of nitrogen fertilizer use on irrigated, and in some cases, dryland, corn production. He said that one of the goals of the project is to increase fertilizer nitrogen use efficiency and reduce nitrogen loss to groundwater through increasing use of in-season nitrogen fertilization. He said the project is a joint effort by UNL Extension, several NRDs, and the Nebraska Corn Board.

Ferguson said that the crop canopy sensors allow the applicator to sense the nitrogen status of a crop at about the 6- to 12-leaf stage and apply nitrogen to finish out the growing season based on what the sensors see. The sensors are able to pick up extremes in growing conditions to help determine nitrogen use. Ferguson provided nitrogen and yield data on sites where the sensors have been tested.

Ferguson said that the project would include implementing 20 on-farm research sites each year (4 sites in 5 NRDs), over the next 3 years. He said working with NRDs that have areas of high nitrate groundwater would be important because extra educational efforts could be put in to those areas. Ferguson said the size of each site may vary.

Ferguson said UNL is seeking financial assistance of \$22,500 annually for 3 years from Lower Loup NRD which would help cover the cost of leasing the applicator, transport of equipment, data collection, and soil tests.

There was discussion on types of sensors, data results, grain produced per pound of nitrogen, rental/purchase of equipment, nitrogen recommendations to cooperators, data availability via satellite and drones, and balanced fertility.

Koehlmoos said staff is recommending participation in the UNL sensor project for Area 28 because the groundwater nitrate levels are above the maximum allowable level of 10 parts per million and are trending up. Past attempts to turn the trend have not worked. Koehlmoos said that participation would provide additional water quality management data for Area 28. He said Mike Lorenz was looking for landowners who would have the farm equipment to participate in the project.

**Gellermann motioned, seconded by Bartak, that the Lower Loup NRD participate in UNL's *Project SENSE* program; contribute \$22,500 annually for three years, beginning in FY2016; and authorize the General Manager's signature on the agreement.**

There was further discussion on investing in equipment the NRD wouldn't be able to keep, accessing the same information from other entities, the MISA project, and information from flowmeters and soil types.

**Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Gellermann, Hadenfeldt, Kauk, Kruse, Loseke, Lukaszewicz, Nelson, Petersen, Rasmussen, Sieh, Thede, and Thoene. Directors voting no: Adams and Smith. Directors absent: Citta, Eschliman, and Gutzmer.**

## NRCS REPORT

Bryce Bauer, District Conservationist, reported that EQIP applications had been ranked and were ready to be funded. Allocation for EQIP projects in Lower Loup will be about \$1.2 million. He said 60% of the funds would be for grazing, 20% for cropland, and 20% for irrigation practices. Bauer reported that the CSP deadline has been extended to March 13<sup>th</sup>. He said NRCS would be advertising for a resources conservationist in Fullerton.

## INFORMATION AND EDUCATION REPORT

### Central Region Envirothon

Information & Education Coordinator Larry Schultz reported that the Central Region Envirothon would be held March 3<sup>rd</sup> at the Central Community College-Platte Campus. He said it is part of the District V & VI Ag Ed Contest. Schultz said the Envirothon combines range, soils, forestry, and a special topic into one event. The team that qualifies for state competition will need to be able to solve a real-world problem using all the different aspects of study that were presented at the Envirothon.

Schultz reported that the winter edition of the newsletter will hopefully be ready to send out soon.

Schultz noted that history was made this evening in the Lower Loup NRD with the appointment of Beth Boesch, the first woman to be a member of the Board of Directors.

## ASSISTANT MANAGER'S REPORT

### Variance Committee

Assistant General Manager Russell Callan said the Variance Committee did not meet in February, but will meet in March.

### Water Resources Committee

#### a. UNL *Project SENSE* Program

Callan said that the Board has already taken action on the project.

b. Developing Consumptive Use Acres

Callan reported that one of the variance requests will deal with expanding acres on consumptive use and restriction of the amount of water applied. He said they are still discussing the issue with the cooperator.

c. Update on Violations

Callan reported that Mike Lorenz is missing about six annual reports and seven soil reports. He said there will be some violations, but didn't know if they would be dealt with formally.

d. Water Quality Area 28 – Review of NO3 Level Trends

Callan said that levels in most areas showed a downward trend in nitrates. He said staff has worked with some producers on point-source issues, such as getting a well replaced. He said the levels in Area 28 continue to rise.

e. Prokop Update

Callan said this item would be discussed later in the meeting.

South Loup Watershed Plan

Callan reported that Lower Loup NRD has a contract with JEO. They are moving forward with DEQ. He said that DEQ and Naprstek are in the process of getting a project implementation plan ready to go.

Integrated Management Plan

Callan said that the stakeholders met on February 17<sup>th</sup>. He said the meeting went well, with a good turnout of members. Koehlmoos said the meeting with the irrigation districts was on January 30<sup>th</sup>.

Jim Nelson offered to give airboat rides on the South Loup River to tour part of the watershed area.

Callan said Christopher Cove proposals were due tomorrow. Two have already been received.

PROGRAMS/PROJECTS COMMITTEE REPORT

General Manager Leon Koehlmoos said the Committee met on February 16<sup>th</sup>.

Columbus Area Recreational Trails (CART) – Hospital Trail Grant

Koehlmoos announced that the money Lower Loup NRD set aside for the trail was based on Columbus getting their grant, which they received.

#### Davis Creek Picnic Shelters & Bureau of Reclamation Contribution

Koehlmoos said the Bureau of Reclamation has agreed to pay \$48,000 or 50/50 toward the costs of two new shelters.

#### UNL Crop Sensor Project

Koehlmoos said since the *Project SENSE* program was a water issue, the Committee took the recommendation of the Water Resources Committee.

#### Batenhorst Structure

Koehlmoos reported that the Batenhorst Structure is a river erosion problem in Boone County that is affecting a utility. The county is wanting some assistance from NRCS who will be doing the engineering work, and from the NRD for riprap.

### MANAGER'S REPORT

#### Update on Litigation

Kruse said litigation would be discussed in Executive Session later in the meeting.

#### New Hires

There were no new hires.

### NARD REPORT

#### Director's Report

Rasmussen reported that the NARD met in Lincoln. He said he moderated a session on "Overview of Conservation Programs". He said finances were very good and the budget has not been changed. He said officers would be elected in March. He said the Senators Reception went well.

#### Legislation

Rasmussen said that the bill to dissolve the funding task force has been signed by Governor Ricketts and the rest are pending.

## NRC REPORT

### Commissioner's Report

Hadenfeldt said the NRC met in Lincoln. He said that the Rules Committee has met several times to rewrite the rules. He said it has been a tedious process.

## RC&D REPORTS

### Loup Basin RC&D

Rasmussen reported that the RC&D met at Calamus recently. The program was presented by a nurse who spoke on nutrition. Rasmussen said there will be another tire collection. He said the RC&D has \$68,000 in grants. He said it is possible that a couple other counties will be joining the Loup Basin RC&D. He said there was an open house tonight for the Spalding fish ladder.

### PrairieLand RC&D

Gellermann said that Madison County will probably be joining the northeast group, but PrairieLand will still exist because there are funds being used. He thought a couple PrairieLand counties would like to join Loup Basin. He said PrairieLand is trying to get funds dispersed.

## ANNOUNCEMENTS

Koehlmoos said that per the Kansas vs. Nebraska Republican River Compact ruling, Nebraska will pay \$5.5 million to Kansas for water use. Nebraska's accounting for water use was accepted by the court.

## UPDATE ON LITIGATION

**Sieh motioned, seconded by Anderson, to go into Executive Session to discuss ongoing litigation. Motion carried by roll call vote, all present voting yes.**

Discussion

**Loseke motioned, seconded by Adams, to come out of Executive Session and continue in Open Session. Motion carried by Board consensus.**

## ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:18 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, March 26, 2015, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

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Darwin B. Anderson  
Secretary