

# LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

June 25, 2015

Ord, Nebraska

The June 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 June 25, 2015. Chairman Kruse called the meeting to order at 5:00 p.m.

## CALL TO ORDER

### Directors in attendance

Rollie D. Amsberry, Treasurer  
Timothy E. Bartak  
Joseph L. Citta, Jr., Vice Chairman  
Virgil W. Gellermann  
Randy Kauk  
Clifford P. Loseke  
James C. Nelson  
Dean J. Rasmussen  
Dean G. Thede

Darwin B. Anderson, Secretary  
Beth Boesch  
James J. Eschliman  
N. Richard Hadenfeldt  
Gary A. Kruse, Chairman  
Matt Lukasiewicz  
Alan D. Petersen  
Gerald P. Smith  
Henry J. Thoene

### Directors absent

James C. Adams  
Darwin R. Sieh

Michael P. Gutzmer

### Staff in attendance

Leon "Butch" Koehlmoos, General Manager  
Irene F. Kreifels, Financial Secretary  
Cheryl K. Hornickel, Programs Assistant  
Larry D. Schultz, I&E Coordinator  
Lee Ann Smith, Water Programs Ass't.

Russell G. Callan, Assistant General Manager  
Rita A. Goldfish, Administrative Assistant  
Richard L. Woollen, District Forester  
Anne Freeman, Water Programs Secretary

### Guests in attendance

Bryce Bauer, DC, NRCS, Ord  
Brandon Hansen, Kruml Law Office, Ord

Tom Kruml, Kruml Law Office, 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 there were no modifications to the agenda.

**Smith 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 Kruse asked for corrections and/or additions to the May 28, 2015, Board meeting minutes. None being heard, Chairman Kruse ruled the May 28, 2015, 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 several bills and activities in *Special Projects*, the NRD’s share of the forester’s salary, a Pibel Lake land easement payment, hail damage repair of the Spalding building, and payment for the Columbus levee project. Koehlmoos said that NRD crews would be constructing the 3 picnic shelters and supplies were purchased for the project.

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

## PUBLIC COMMENTS

There were no public comments.

## NEW DNR DIRECTOR

Koehlmoos announced that Jeff Fassett was the new Director of the Nebraska Department of Natural Resources and that he will start his duties August 3<sup>rd</sup>. He said that Fassett has spent most of his career in Wyoming. He said that Fassett was head engineer when Wyoming was sued by Nebraska and that Fassett was involved in the Platte River Recovery efforts.

## FORESTER’S REPORT

Rich Woollen, District Forester, reported that he helped host the U.S. Forest Service Region 2 Forest Stewardship Tour. There was a tour of Bessey Nursery to discuss the conservation tree program

and the Conservation Tree Working Group to gain support for the nursery. Tours also included fuels reduction work in the Niobrara Valley and a trip to Chat Canyon WMA near Nenzel, which is managed by Game and Parks.

## NRCS REPORT

Bryce Bauer, RC, NRCS in Ord, reported that most of the HEL and wetland compliance checks are done and notifications have been sent. He said selections have been made for the Broken Bow range conservationist, the Albion soil conservationist, and the Fullerton technician.

## INFORMATION AND EDUCATION REPORT

### Adventure Camp about the Environment (ACE)

Information & Education Coordinator Larry Schultz reported that ACE Camp was held at the State 4-H Camp at Halsey last week. He said 42 6<sup>th</sup> through 8<sup>th</sup> graders attended and participated in sessions on water resources, soil, forestry, range, and wildlife. Schultz said the kids participated in a memory game that taught them about NRDs, he helped with a session on range plants, and was chief water rocket launcher. He said Moudry helped with the water quality portion of the camp.

### Hazard Mitigation Plan Update

Schultz said that he and Koehlmoos met with JEO to discuss the hazard mitigation plan and what needs to be done to meet all the guidelines to update the plan. Koehlmoos said the NRD has until the end of July to get an application in for federal assistance on upgrading the plan. He said that JEO was doing the majority of the hazard mitigation plan updates.

Koehlmoos said there are about 56 groups under the NRD umbrella, and JEO said the cost would be about \$2,000 per group to develop the plan. Staff recommended hiring JEO, rather than doing the plan in-house or bidding it out. He said JEO would then do both the grant application and plan for 25% of the \$150,000 grant, or \$37,500. The NRD would then be in compliance by 2017.

Koehlmoos said that levees are not an eligible practice in hazard mitigation plans, and that FEMA will not cost-share on levee work.

Koehlmoos said he thought a safe-room at each recreation area would be a good idea in case bad weather hit while the areas were being utilized.

Koehlmoos said that the NRD's present hazard mitigation plan was very basic, making all the communities in the plan eligible for federal funding if they had a project. He said the NRD didn't require counties and municipalities to contribute monies toward the plan, but they would be responsible for doing the project once they came up with an idea.

**Boesch motioned, seconded by Hadenfeldt, that the General Manager negotiate a contract with JEO for the entire pre-application for federal funding and also the development of the Hazard Mitigation Plan, for 25% of the negotiated contract, not to exceed \$37,500.**

Callan said that mitigation plans are for projects that would protect infrastructure from natural disasters such as tornadoes, floods, and blizzards. Koehlmoos said that a mitigation plan is required to be in place to make application for federal funding sources to do a project. He said the mitigation plan isn't for post-disaster events, but rather for preventive measures before a disaster strikes.

Schultz said that homeowners could apply for a grant through a program that the NRD or other government entity created; the money would not go directly to the individual.

Koehlmoos said that hazard mitigation plans are good for five years, but in order to apply for money to upgrade the plan and get the 75% funding, the NRD has to start about two years before the termination of the plan. Koehlmoos said the NRD's present plan is good until the end of 2017.

Koehlmoos said a "drought management plan" would consist of ways to respond to drought events.

**Motion carried by roll call vote, all present voting yes.**

Schultz said he is working on the next newsletter.

## ASSISTANT MANAGER'S REPORT

### Variance Committee

*Reg & Tamara Roth – Eagle Heart Ranch, Inc.*

Amsberry reported that the Roth request for a variance was seen by the Committee for the first time. He said Roths want to apply lagoon water to a dryland field that has no certified irrigation. Amsberry said the request does not meet NRD criteria. Callan said the rules state that lagoon water can be used only in an 'emergency, must-pump' situation. Amsberry said Roth does not have the lagoon built yet.

### Water Resources Committee

*New Irrigated Acres Development*

Assistant Manager Russell Callan showed maps of static water level comparisons in the NRD and INSIGHT's current analogy of water flows within basins, revealing areas that may not be conducive to developing new irrigated acres. Callan also showed maps of HDR's analogy of the Loup, Elkhorn, and lower Platte Basins, based on the water plan that the NRD is doing with HDR.

Callan said that HDR is going to put together a "1% per year" report showing 1% available water development per year in the basins, how long it can be done, what will happen if it's done, and what the effects might be.

Callan said that, based on information from DNR, it appeared likely that the District would be declared "fully appropriated" later this year; and then, because the NRD is working on an integrated management plan with DNR, Lower Loup would probably become undeclared. Callan said, though,

that the LB-483 process would start and each district involved would get 10,000 new acres to work with.

Koehlmoos said the NRD is looking at developing augmentation, storage, and recharge projects during times of excess, rather than letting the water go down the rivers. He said that, in the past, at peak water times, acres were being added without doing anything else.

Thoene said the Committee has been discussing development in high water areas, but wanted to wait until the designation ruling from DNR.

**Thoene motioned, seconded by Smith, to not allow development of new irrigated acres for Fiscal Year 2016. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Boesch, Eschliman, Gellermann, Kauk, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Smith, Thede, and Thoene. Directors voting no: Citta, Hadenfeldt, and Kruse. Directors absent: Adams, Gutzmer, and Sieh.**

*Sargent Irrigation District Recharge Project*

Callan said that HDR sent a proposal for the Sargent Irrigation District Recharge Project, a project that would allow water to be stored in the system past the time of irrigation to recharge groundwater. He said that HDR had already done work on recharge data from the irrigation district as part of work on the South Loup. He said some ELM work that is already being done was taken out of the proposal, which makes the fee \$22,600.

**Thoene motioned, seconded by Amsberry, to approve the RFP from HDR for the Sargent Irrigation District Recharge Project for \$22,600. Motion carried by roll call vote, all present voting yes.**

Callan said that the proposal will be sent to the irrigation district for its review. He said that DNR is eager to be a part of this process and he has contacted them about starting the temporary permitting process. Koehlmoos said that DNR will probably share in the cost of the project.

*Voluntary Integrated Management Plan*

Callan said he sent DNR some verbiage to review for the Voluntary Integrated Management Plan. He said he plans to meet with them and get a draft of the plan drawn up.

*Lillian Creek*

Koehlmoos said that some preliminary work has been done on Lillian Creek, a possible recharge/augmentation/recreation project in Custer County. Lone Creek Cattle Company is the sole owner of the entire dam site, including the flood pool.

Lukasiewicz mentioned that when the Sargent Irrigation District was built, there was a Lillian Creek that they were going to use as an irrigated acres reservoir. He didn't know if the structure was built or not. He said if it was built, it would be a source to divert water into the Lillian Creek Dam.

## PROGRAMS/PROJECTS COMMITTEE REPORT

### *Village of Wolbach – Park Steps Replacement*

Eschliman said the Committee discussed the park steps in Wolbach and felt the project was too costly and no ADA standards were included in the current project.

**Eschliman motioned, seconded by Rasmussen, to deny financial participation in the replacement of the Wolbach park steps.**

Koehlmoos said Wolbach is getting another contractor to make another estimate on the replacement of the park steps. He informed Wolbach of the Committee's concerns regarding ADA standards and liability issues. He said those matters would have to be addressed in the new estimate before the Committee would consider approval of any financial participation.

**Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Boesch, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Thede, and Thoene. Director abstaining: Smith. Directors absent: Adams, Gutzmer, and Sieh.**

### *Arnold Golf Course Tree Project & Fullerton Golf Course Tree Project*

Eschliman reported that the Committee discussed the tree projects on the Arnold and Fullerton golf courses and recommended that the requests be referred to the Community Forestry Program, a program that provides assistance in community tree planting projects.

Koehlmoos said staff would visit the communities and sites soon. He said the plans would consist mainly of landscaping, materials, tree planting and drip irrigation. He said the sites would have to be public access areas.

**Eschliman motioned, seconded by Rasmussen, that the requests from the Arnold Golf Course and the Fullerton Golf Course be referred to the Community Forestry Program. Motion carried by roll call vote, all present voting yes. *Removal of Wetland Sediment***

Koehlmoos said that Doug Rudat spoke to the Committee and requested that the NRD help financially with the cost of removing sediment from his fish pond which is at the end of the Duncan East Drainage IPA. Koehlmoos said Rudat informed the Committee that the sediment was coming from one of the Duncan East drainage ditches. Koehlmoos had informed the Committee that Rudat's land was not part of the Duncan East IPA. He said that, when the project was first started, a tube was added where water was backing up over one of his lanes. Koehlmoos said this was Rudat's first visit.

### *Village of Taylor – Flooding and Drainage Project to Loup River*

Koehlmoos said that there was a flooding and drainage problem on the northern edge of Taylor. He said they were looking for some additional cost figures, so the Committee tabled the item until July.

*Columbus School Windbreak Project*

Koehlmoos reported that the school is wanting a windbreak put around the school. He said the project was referred to the Community Forestry Program and that Woollen has been in contact with the superintendent to find out what their needs are.

*Merna Weather Station Assessment*

Koehlmoos said he had questions about the increased contribution costs of the Merna weather station. A representative from the High Plains Regional Climate Center said the costs weren't out of line for the 10-12 years that the NRD has utilized the weather station. Koehlmoos said other NRDs have at least one weather station and continue to support them.

**MANAGER'S REPORT**

**Resolution – District 414(h) Pension Plan with NARD**

Koehlmoos said that, because of the Affordable Care Act, some actions needed to be added to the 414(h) Pension Plan with NARD. He said a resolution needs to be passed by all the NRDs so the actions can be carried out. He said the insert is a requirement of the federal government to bring the plan into compliance with the Pension Protection Act of 2006.

**Loseke motioned, seconded by Gellermann, to approve the resolution for the District 414(h) Pension Plan with NARD. Motion carried by roll call vote, all present voting yes.**

**Litigation & Land Acquisition**

**Lukasiewicz motioned, seconded by Citta, to go into Executive Session, with the General Manager and Assistant General Manager also included, to discuss litigation matters and possible property acquisition. Motion carried by roll call vote, all present voting yes.**

The Board went into Executive Session at 6:26 p.m.

**Citta motioned, seconded by Thoene, to come out of Executive Session. Motion carried by voice vote, all present voting yes.**

The Board came out of executive session at 7:17 p.m.

**Eschliman motioned, seconded by Citta, to purchase an unnamed parcel of property and have the NRD attorney compile all the proper paperwork. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Smith, Thede, and Thoene. Director abstaining: Boesch. Directors absent: Adams, Gutzmer, and Sieh.**

**Boesch motioned, seconded by Loseke, to withdraw the Prokop appeal. Motion carried by roll call vote, all present voting yes.**

## New Hires

Koehlmoos said there were no new hires.

## FY-2016 BUDGET WORK SESSION #1

Koehlmoos directed the Board to the budget information included in the agenda and said he met with the Executive Committee for salary negotiations earlier in the week. Koehlmoos said the Committee recommended a 2.5% of base salary increase for the NRD employees, with \$25,000 for distribution at the General Manager's discretion. The Manager's salary was not included in the discussion. Kruse told the Board that the Manager's salary would be discussed in Executive Session.

**Citta motioned, seconded by Eschliman, to approve the staff salary recommendation for the FY-2016 budget as presented and discussed. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Boesch, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Loseke, Lukaszewicz, Nelson, Petersen, Rasmussen, Smith, and Thede. Director not present during vote: Thoene. Directors absent: Adams, Gutzmer, and Sieh.**

Koehlmoos presented the budget item for Auto, Trucks and Other Equipment \$166,500. He said that all the moving stock was in this category, including pickups, dump truck, flatbed, tractors, skid steers, 4-wheelers, and mowers. Koehlmoos said the following items might be replaced in FY 2016: Drozd's pickup in Columbus; 3 tractors with a new 62HP front-end assist; a skid steer, and a mower.

Other items presented were Director's Expenses \$52,000; Directors Per Diem \$32,000; Dues and Memberships \$75,000; Personnel Expenses \$38,000; Fees and Licenses \$50,000; Public Information, Education, and Promotion \$70,000; Bonds \$500; and Insurance \$42,500.

Koehlmoos continued his presentation on the budget items for Chemigation \$7,000; Legal Notices \$12,000; Miscellaneous Expenses \$7,500; Office Supplies and Expenses \$28,000; Office Equipment \$40,000; Employment Security \$5,500; Postage \$38,000; Professional Services \$50,000; Project Land Rights \$100,000; Project Legal Costs \$20,000; Telephone \$12,000; and Utilities \$25,000.

Koehlmoos said that nothing has been done with soil surveys for nearly 25 years, so he said this will probably be the last year he will carry the item forward - Soil Survey \$0. Other budget items presented were Building Maintenance \$20,500; Loan Repayment \$1,000,000; and Farm Account \$15,000.

Koehlmoos presented Davis Creek Recreation & Maintenance \$428,000. In the agenda, Davis Creek projects were listed that are done or ongoing. He said NRD crews are doing the picnic shelters and several grants are involved with that.

Koehlmoos next highlighted Pibel Lake/Clear Creek Watershed Plan \$0, saying the consultant has been paid. Koehlmoos said that South Loup is starting, though, so that will be a new funding process. He said a grant for \$150,000 for South Loup was recently received. Koehlmoos then mentioned Pibel Lake Recreation & Maintenance \$900,000. He said activities and grants were listed in the agenda.

Additional budget items that Koehlmoos highlighted were Corners for Wildlife \$0; Wildlife Habitat Program \$30,000; Buffer Strip Program \$178,799; and Arboretum Budget \$6,500.

**Rasmussen motioned, seconded by Kauk, to give tentative approval to the first half of the FY 2016 budget as presented and discussed. Motion carried by roll call vote, all present voting yes.**

## NARD REPORT

### Director's Report

Rasmussen reported that the NARD meeting and basin tour was in Gothenburg June 15. He said the budget was passed with a 4% increase in dues and a 3% increase in health insurance. He said the deadline for resolutions for the NARD conference in September is August 21<sup>st</sup>. He said the November meeting will be in Ord.

Koehlmoos commented that Lower Loup NRD might want to sponsor a resolution regarding the litigation issue with the attorney general's office to see if the issue of state statutes in cease and desist orders can be addressed and strengthened, and not ignored.

## NRC REPORT

### Commissioner's Report

Hadenfeldt reported that the Commission met in Kearney on June 16<sup>th</sup> and passed the Rules. He said they may be able to start taking applications in late February.

## RC&D REPORTS

### Loup Basin RC&D

Rasmussen reported that the Executive Board met in Ord, and the regular meeting was held in Ericson earlier in the month. The tire collection will be in Burwell on June 27<sup>th</sup> and were given an additional 50 ton allotment. He said the Chalk Mine is busy with daily tours. He said the trailer that is hauled around to different celebrations to collect aluminum cans is gone about 2 days a week.

### PrairieLand RC&D

Gellermann had no report on RC&D activities. He mentioned that he had attended the NARD Basin Tour near Gothenburg. He said it was a good tour and that there was a lot of water in the area.

## ANNOUNCEMENTS

No announcements.

EXECUTIVE SESSION – PERSONNEL

**Eschliman motioned, seconded by Bartak, to go into Executive Session to discuss the General Manager’s salary. Motion carried by roll call vote, all present voting yes.**

The Board went into executive session at 7:45 p.m.

**Boesch motioned, seconded by Anderson, to come out of Executive Session. Motion carried by voice vote, all present voting yes.**

The Board came out of Executive Session at 7:56 p.m.

**Anderson motioned, seconded by Loseke, to set the General Manager’s salary at \$107,000. Motion carried by roll call vote, all present voting yes.**

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:58 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, July 23, 2015, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

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Darwin B. Anderson  
Secretary