

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

August 27, 2015

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 27, 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
Beth Boesch
James J. Eschliman
Michael P. Gutzmer
Randy Kauk
Clifford P. Loseke
James C. Nelson
Dean J. Rasmussen
Dean G. Thede

Rollie D. Amsberry, Treasurer
Timothy E. Bartak
Joseph L. Citta, Jr., Vice Chairman
Virgil W. Gellermann
N. Richard Hadenfeldt
Gary A. Kruse, Chairman
Matt Lukasiewicz
Alan D. Petersen
Gerald P. Smith
Henry J. Thoene

Director absent

Darwin R. Sieh

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Irene F. Kreifels, Financial Secretary
Larry D. Schultz, I&E Coordinator
Anne Freeman, Water Programs Secretary
Dell Harris, Water Resources Specialist
Cheryl K. Hornickel, Programs Assistant

Russell G. Callan, Assistant General Manager
Rita A. Goldfish, Administrative Assistant
Tylr D. Naprstek, Water Modeling Coordinator
Richard L. Woollen, District Forester
Jason Moudry, Water Programs Specialist

Guests in attendance

Bryce Bauer, LDC, NRCS, Ord
Eugene Bredthauer, Ord
Paul Claus, Jr., Ericson
Charlie Krohn, Albion

Kevin Prior, Olsson Associates, Grand Island
Derald Watson, Grand Island
Theresa Claus, Ericson
Cheryl Krohn, Albion

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 Gutzmer, 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 July 23, 2015, Board meeting minutes. None being heard, Chairman Kruse ruled the July 23, 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 expenditures for *Access* update; picnic shelter supplies; nitrogen management brochures that will be sent with chemigation letters in 2016; hydrasleeves; and transducers/cable for the South Loup Watershed project.

Rasmussen motioned, seconded by Eschliman, to approve the August, 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.

FORESTER’S REPORT

District Forester Rich Woollen reported on the summer staff meeting and public field day held in Chadron last week. He said the main theme of the meeting was fuels management, and he showed videos of a fire retardant drop, different types of chippers and mills, and a utilization site for thinned materials.

Woollen reported that he met with Columbus High School to discuss community forestry options for landscaping work around the new school.

PUBLIC HEARING ON LLNRD FY 2016 BUDGET

Action to Adopt the FY 2016 Budget

Chairman Kruse opened the public hearing on the Lower Loup NRD's FY 2016 Budget at 5:21 p.m.

Chairman Kruse asked for public comments on the LLNRD FY 2016 budget. None were heard.

Chairman Kruse asked for comments from the members of the Lower Loup Natural Resources District Board of Directors.

Toene asked staff to highlight the reasons for the budget increase. Koehlmoos responded that flood control projects, project construction, levee participation, and land acquisition were major reasons for the 60.7% increase in the NRD's property tax request. He said NRDs have roller coaster budgets. Koehlmoos said that one year they can be up, and when a project or program ends, they can go down.

Smith stated that the money the NRD receives from grants needs to be budgeted, and Koehlmoos said that money is not part of the property tax request. He said that the NRD's total budget is over \$10 million. He said a large portion of that is federal funds, state funds, and grant funds that make up the difference between total budget and property tax request.

Eschliman asked about the necessary cash reserve.

Chairman Kruse closed the hearing at 5:32 p.m.

Citta motioned, seconded by Anderson, to adopt the FY 2016 Budget of \$10,616,354.00, with a property tax request of \$4,974,011.33. Motion carried by roll call vote, all present voting yes.

PUBLIC HEARING TO SET FINAL TAX REQUEST FOR FY 2016

Chairman Kruse opened the public hearing to set the Lower Loup NRD's final tax request for FY 2016 at 5:35 p.m.

Chairman Kruse asked for public comments on the final tax request for the LLNRD FY 2016 budget. None were heard.

Chairman Kruse asked for comments from the Lower Loup Natural Resources District Board of Directors on the final tax request for the FY 2016 budget. None were heard.

Chairman Kruse closed the hearing at 5:36 p.m.

Resolution to Approve Additional One Percent Increase

Koehlmoos told the Board that the additional one percent increase allows the NRD to increase its future budget authority by one percent. Approval requires a super majority vote of the Board. Koehlmoos said this is money that is not spent, but put into Unused Budget Authority for future growth, should it be needed. He said there is about \$18,000.00 in Unused Budget Authority at the present time. He said if the additional one percent increase is approved, the amount in Unused Budget Authority would decrease to around \$16,000.00.

Koehlmoos said the State Auditor says the additional one percent is available to the districts for growth. He said the amount does not go against the property tax request or the total budget. He said it allows for flexibility in next year's budget.

Hadenfeldt motioned, seconded by Anderson, to adopt a resolution to approve the additional one percent increase. Motion carried by roll call vote, all present voting yes.

Resolution to Set the Property Tax Request

Koehlmoos read the resolution which stated that the 2015/2016 property tax request be set at \$4,974,011.33. He said a copy of the resolution would be sent to the Platte County Clerk on or before September 20, 2015.

Boesch motioned, seconded by Petersen, to approve the resolution to set the property tax request at \$4,974,011.33. Motion carried by roll call vote, all present voting yes.

Resolution to Set Levy for the Lower Loup Natural Resources District for Fiscal Year 2016

Koehlmoos read the resolution which stated the District property valuation is \$14,987,031,569.00 and the levy for FY 2016 be established at \$0.033189 per \$100.00 of property valuation.

Anderson motioned, seconded by Gellermann, to approve a resolution to set the levy for the Lower Loup Natural Resources District at \$0.033189 per \$100.00 of valuation. Motion carried by roll call vote, all present voting yes.

Koehlmoos said that the Treasurer's Report, voted on earlier in the meeting, will need to be rescinded due to a payment listed for Hadenfeldt Farms, Inc.

Rasmussen motioned, seconded by Gutzmer, to rescind the vote of the August, 2015, Treasurer's Report. Motion carried by roll call vote, all present voting yes.

Eschliman motioned, seconded by Smith, to approve the August, 2015, Treasurer's Report and pay all bills, excluding the well decommissioning cost-share payment to Hadenfeldt Farms, Inc. Motion carried by roll call vote, all present voting yes.

Bartak motioned, seconded by Thoene, to approve the well decommissioning cost-share payment to Hadenfeldt Farms, Inc. Motion carried by roll call vote. Directors voting yes: Adams, Anderson, Amsberry, Bartak, Boesch, Citta, Eschliman, Gellermann, Gutzmer, Kauk, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Smith, Thede, and Thoene. Director abstaining: Hadenfeldt. Director absent: Sieh.

NRCS REPORT

District Conservationist Bryce Bauer reported that Bailey McKay started her duties as range conservationist in Broken Bow. He said the NRCS employees received their ToolKit training. He said the positions in Albion and Fullerton were not filled, so applications are again being accepted. Bauer said staff is working on compliance reviews. He said there is a general CRP sign-up starting next week.

PIBEL LAKE CONSTRUCTION BIDS – REVIEW & ACTION

Kevin Prior of Olsson Associates summarized the four bids received for the Pibel Lake Renovation Project. He said the low bidder was Frahm Construction of North Loup, whose bid was \$1,175,012.20. He said Bid Section A bid of \$894,298.60 includes most of the work except for the bridge; and Bid Section B base bid of \$280,713.60 includes rock riprap for access to the bridge. He said the alternate bid for Section B was to use existing materials for the foundation of the trail to the bridge and would save nearly \$77,000. Prior said he felt that the base bid materials would be more stable. He said a Change Order could be issued, once construction starts, if they think the existing materials would be adequate for the project. Prior said Frahm has already done a lot of work at Pibel, so he is familiar with the area.

Prior said he anticipates construction to begin the first part of October, and completed by May/June, 2016.

Prior recommended the Board consider awarding the Pibel Lake contract to Frahm Construction of North Loup, and award Bid Section A and the base bid of Bid Section B, for a total amount of \$1,175,012.20, which is under the engineer's estimate of \$1.4 million.

Eschliman motioned, seconded by Adams, to approve the bid by Frahm Construction of North Loup, including Bid Section A and the base bid of Bid Section B, for \$1,175,012.20 for the Pibel Lake Renovation Project, and authorize the General Manager's signature on the contract. Motion carried by roll call vote, all present voting yes.

Koehlmoos said that Pibel Lake is down about two feet, and will be taken down to at least three feet. He said water is being released slowly to prevent fish kill and maintain oxygen levels.

There was discussion of a ribbon cutting ceremony. It was the consensus of the Board to have a groundbreaking ceremony on September 15th at 12:00 p.m. Naprstek said that the Clear Creek stakeholders group and Environmental Trust personnel would be invited to attend. The ceremony will be in conjunction with the Water Resources and Programs/Projects Committee meetings.

INFORMATION AND EDUCATION REPORT

Husker Harvest Days

Information & Education Coordinator Larry Schultz reported that Husker Harvest Days would be held September 15-17 in Grand Island. Directors Anderson and Loseke have volunteered to help pass out tree seedlings.

Schultz directed the Board's attention to the updated Fact Sheets on the Lower Loup NRD and on the Loup River Basin. These are put together at the request of NARD and are presented to the Nebraska Legislature each year and to any other interested parties.

Contests

Schultz reported that the LLNRD, NRCS, and Extension will be hosting the Area IV Range Judging Contest in Garfield County on September 22nd and the North Central Land Judging Contest in Sherman County on October 8th. He said that range judging draws between 350-400+ students and land judging is attended by 250-350 students.

Hazard Mitigation Plan Update

Schultz reported that JEO has submitted the Pre-Disaster Mitigation Grant to NEMA. Koehlmoos said that NEMA has approved the NRD's application and they will forward it on to FEMA for final approval. Schultz said the NRD should know the outcome sometime this fall.

Annual NARD Conference

Schultz provided a sign-up sheet for those wanting to attend the conference. He said the deadline to register is September 4th. He said that Mike Kozeal of Sargent will be receiving the *Educator of the Year* award at the conference.

ASSISTANT MANAGER'S REPORT

Water Resources Committee

Flowmeter Maintenance Program

Assistant General Manager Russell Callan reported that staff will develop an RFP for bids for maintaining the flowmeters in Area 28.

SENSE Program

Callan said that Mike Lorenz gave a presentation to the Committee on the SENSE Program (crop sensing and fertilizer application program with UNL).

Psota Variance Update

Callan said this is the deficit irrigation program the NRD has with Psota. He said staff has been watching the field monitors. Callan said there has been rainfall in Psota's area, so he has been able to stay under the 6.5 inches allowed.

Lower Platte River Basin Technical Report

Callan showed graphs and figures that were a part of HDR's report on available water in the Loups, Elkhorns and lower Platte portion of the Basin in annual, non-peak (not June, July & August) estimates of water without the hydropower demand. The figures showed that there was no available water in the South Loup annually, or at any time.

Callan said tech group discussion involved coming up with some sort of guideline of what are allowable depletions/uses and what makes up excess water. The tech group decided to go with "80% of historic flows."

Callan then showed graphs with hydropower demand included. It showed that the entire Loup Basin, with hydropower demand included, was 469,000 acre-feet short of water. He said it appeared that the basin could be designated as fully-appropriated. Callan said he was fairly confident that the South Loup would be declared, and 50% sure that the rest of it would be declared, because of the hydropower. Although it's a non-consumptive use, it could be consumed, and that will need to be figured in.

Sargent Recharge Project Update

Callan showed numbers from HDR regarding excess flows that would be available for the recharge project, a project in which water would be held in Sargent Irrigation District canals following the end of the irrigation season to facilitate groundwater recharge.

Callan said the Water Resources Committee recommended moving forward with HDR to get more information on engineering and feasibility of the Sargent Recharge Project.

Callan said staff met with the Sargent Irrigation District and discussed some details of the project. Lukasiewicz said he thought liability would be the biggest concern. He said their insurance representative indicated that if a claim was submitted, the liability concerns could be protected under either the NRD or the irrigation district.

Callan said he told the irrigation district that the NRD wanted to be a customer and was interested in the irrigation district supplying the NRD with "x" number of acre-feet of water and paying them for it, if the price isn't too high.

Koehlmoos said he didn't think the NRD could assume any liability on the maintenance and operation of the canal.

Toene motioned, seconded by Adams, that the NRD contract with HDR to conduct an engineering and feasibility study of the Sargent Recharge Project, and authorize the General Manager's signature on the contract.

Callan said that \$22,000 was the estimate of the study, but a few things will probably be taken out.

Callan said that diversion of water for the NRD would be in April/May, and then for a month or month and a half after the irrigation district shuts down.

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

Lillian Creek Project

Callan said this project will be discussed later in the Programs/Projects Committee item.

Feasibility Study for Project with Central Platte NRD for Recharge & Augmentation

Callan said that the NRD is looking for ways to keep water in the recharge area. He said staff made a request to the Committee to allow the NRD to look for some water augmentation/recharge projects between Lower Loup and Central Platte NRDs in the Buffalo and southern Custer County areas. He said the recommendation by the Committee was to develop an RFP to start the process.

Toene motioned, seconded by Gellermann, that a feasibility study with the Central Platte NRD be pursued to investigate the potential augmentation/recharge benefits of a South Loup/ Wood River project and direct staff to prepare an RFP for the joint project study with the Central Platte NRD. Motion carried by roll call vote, all present voting yes.

Voluntary Integrated Management Plan

Koehlmoos said that Olsson Associates has been hired by DNR to help write the draft IMP plan. He said the NRD would probably be getting it in February. Koehlmoos said he hopes to have a stakeholders meeting in September.

Area 28 Activities

No report.

ELM Update

No report.

PROGRAMS/PROJECTS COMMITTEE REPORT

Koehlmoos mentioned that the Programs/Projects Committee met on August 18th and had three recommendations to present to the Board.

Lake Ericson Request

Koehlmoos said five representatives from Lake Ericson were in attendance at the Board meeting. Koehlmoos said that Kirkham Michael developed an Aquatic Ecosystem Enhancement Project for the Corporation. Koehlmoos referred the Board to the itemized listing in their agenda of what the purpose of the project was. He said the Corporation is putting in for an ET grant. He said the budget was discussed as far as participation in the project, and said that the Corporation originally requested \$141,000 from the NRD based on the condition that the ET grant is approved.

Koehlmoos said the project would involve wetland excavation and enhancement, including the installation of wetlands pods to make an aquatic habitat. He said the pods would be 10 feet deep to allow for additional fish habitat. He said the project would also include enhancing some of the area for monarch butterflies and other species. He said the Corporation would like to put in a 1,000-foot extension on the geotube to better control the river and decrease the amount of sedimentation in the open waters area. Koehlmoos said that some streambank stabilization with riprap was part of the project, and also a handicapped-accessible boardwalk bridge over the channel with observation decks.

Koehlmoos said the ET grant request is for \$359,000 and the Corporation is requesting \$141,000 from the NRD. He said the Corporation's share would be \$50,000, or 9.3% of the total cost, which lowered the NRD's participation to \$126,000, or 23.5%, contingent upon the approval of the ET grant. He said NRD monies would be distributed over two fiscal years.

Eschliman motioned, seconded by Rasmussen, that the Lower Loup NRD provide, contingent on the approval of the Environmental Trust Grant, financial participation of \$63,000 for FY 2016 and \$63,000 for FY 2017, for the Lake Ericson Project, with a total financial participation not to exceed \$126,000 or 23.5% of the total project cost, whichever is lower.

Representatives from Lake Ericson thanked the Board for its participation. They said the benefit of the bridge would be to get people to the island for fishing, trails, and other activities.

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

Lillian Creek Project

Koehlmoos said that staff had discussed the project's potential with the landowner's son and he is interested in continuing with the feasibility study and design work for the dam. Koehlmoos said the landowner is allowing the NRD access on the property for the evaluation of flows and for survey work. Koehlmoos said this would be an ideal augmentation/storage project for what the NRD had planned in the Long-Range Implementation Plan. He said there is one landowner, a small design would be 250 acres and a large design would cover over 1,200 acres, draining nearly 36 square miles.

Eschliman motioned, seconded by Citta, that the Lower Loup NRD proceed with the development of an access agreement through the NRD's local attorney and requests for proposals for the feasibility study, engineering, and design of the Lillian Creek Project, and authorize the General Manager's signature on all documents. Motion carried by roll call vote, all present voting yes.

Lost Creek Assessment Letters

Koehlmoos said that some parcels in the Lost Creek IPA have been subdivided, and Freeman is reviewing the legal locations and working with the Platte County assessor to get things sorted out. He said letters are prepared to be sent.

St. Paul SPARC

Koehlmoos said the NRD received a letter from the St. Paul Area Recreation Committee saying that circumstances had changed and they are withdrawing their request for NRD funds. He said their Environmental Trust grant for the proposed trail had not been approved and there were some landowner issues. He said the group will be making modifications on the design and will bring their application back. Koehlmoos said the monies set aside for the project will stay in the project budget.

Davis Creek Recreation Area Expansion Proposals

Koehlmoos said that staff reviewed and ranked the five proposals that were submitted for the Davis Creek Recreation Area expansion based primarily on the scope of the project, their understanding of the project, their presentation and expertise, their team, and a pseudo budget of their cost. It was staff's recommendation to award the contract to JEO Consulting Group, Inc. for \$221,346.

Koehlmoos said expansions would be for more camp sites, another boat ramp, fish cleaning station, and dump station. He said these additions are set up on a 'phase' approach as far as construction. But the proposals reviewed were for the specs and design of the site.

Eschliman motioned, seconded by Boesch, that JEO Consulting Group, Inc. be contracted for \$221,346 to draw plans and specs for the Davis Creek Recreation Area expansion and to authorize the General Manager's signature on the agreement. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Boesch, Eschliman, Gellermann, Gutzmer, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmusen, Smith, Thede, and Thoene. Directors voting no: Citta, Hadenfeldt, and Kauk. Director absent: Sieh.

Koehlmoos said that Pibel Lake Renovation, joint water project with Central Platte NRD, and staff meeting with Sargent Irrigation District had been discussed previously in the meeting.

MANAGER'S REPORTLitigation Update (Prokop & Koch)

Koehlmoos said there was nothing new to report.

New Hires

There were no new hires.

Other Non-Action Reports

Koehlmoos said there was an invitation from Olsson Associates to meet with them at the NARD Conference on Monday morning, September 28th.

Koehlmoos said that one of the resolutions to be considered at the NARD Conference is to make a legislative change to use electronic voting.

NARD REPORT

Director's Report

Rasmussen reported that they will meet next month at the NARD Annual Conference.

NRC REPORT

Commissioner's Report

Hadenfeldt said the Rules Committee would meet August 31st; and the NRC would meet September 1st for a New Commissioners seminar.

Hadenfeldt said the NRC is considering giving an additional ranking point to projects that are federally mandated when considering state funding.

RC&D REPORTS

Loup Basin RC&D

Rasmussen reported that the RC&D met at Calamus Lodge. He said the Chalk Mine has received many visitors, with more scheduled for October. He said the recycle bins have been getting filled.

PrairieLand RC&D

Gellermann reported that he will have a job for a while yet. He said the RC&D will need to administer all grant funding because it won't transfer to another entity, so the RC&D has to remain as a functioning RC&D for another year until the grant is expired.

ANNOUNCEMENTS

Koehlmoos reminded directors of the invitation from Olsson Associates. Callan said staff would provide an update on the Columbus Area Aquifer Study at a later time.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:20 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, September 24, 2015, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary