

# LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

December 17, 2015

Ord, Nebraska

The December 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 December 17, 2015. Chairman Kruse called the meeting to order at 4:30 p.m.

## CALL TO ORDER

### Directors in attendance

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

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

### Directors absent

Michael P. Gutzmer

Darwin R. Sieh

### Staff in attendance

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

Russell G. Callan, Ass't General Manager  
Jason Moudry, Water Programs Specialist  
Rita A. Goldfish, Administrative Assistant  
Dell Harris, Water Resources Specialist

### Guests in attendance

Bryce Bauer, LDC, NRCS, Ord

Bruce Lammers, 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 was a modification to the agenda under Manager’s Report with the addition of the U.S. Bureau of Reclamation Agreement for the Davis Creek Recreation Area.

**Boesch motioned, seconded by Smith, to approve the verification of the meeting notice, adopt the revised 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 November 19, 2015, Board meeting minutes. None being heard, Chairman Kruse ruled the November 19, 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 commented on several expenditures. Koehlmoos mentioned that Duncan East IPA maintenance payments were made to landowners. He said staff and the Programs/Projects Committee would be reviewing the entire project. He said that if any changes need to be made to the project, they would need to be made with the owners of the project.

Koehlmoos said that a 4-foot-wide Titan grass drill was purchased for seeding areas of five or less acres.

**Rasmussen motioned, seconded by Eschliman, to approve the December, 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.

## AUDITOR'S REPORT

Bruce Lammers of Severson, Lammers and Abel, CPAs, P.C., presented a brief summary of the Fiscal Year 2015 Audit Report. He said that District accounts looked good and thanked staff for their cooperation.

**Smith motioned, seconded by Bartak, to approve the FY 2015 Audit Report. Motion carried by roll call vote, all present voting yes.**

## FORESTER'S REPORT

In the absence of District Forester Rich Woollen, Assistant General Manager Russ Callan reported that around 22,000 trees and shrubs have been sold, with many going into CRP plantings.

## NRCS REPORT

Bryce Bauer reported that around 300 CSP payments have been made so far, with approximately 50 more to be paid. He said that at the end of five years, CSP contracts can be re-enrolled at around a 30% lower rate. The landowner has to maintain everything they're doing in the old contract, plus do something new when re-enrolling.

Bauer reported that four new pickups will be purchased in January to replace the 2004/2005 stock.

## INFORMATION AND EDUCATION REPORT

### 2016 NARD Washington, DC Conference

Information & Education Coordinator Larry Schultz reported that the Washington, DC, conference would be held March 12-16. He asked that directors who were tentatively interested in attending, to please let him know.

Koehlmoos said that attendees would have the opportunity to listen to speakers from several different organizations and also visit with their Congressional representatives.

Schultz mentioned that the Legislative Conference is the end of January and staff needed to know who was planning to attend.

### Land Judging Committee

Schultz said that the Land Judging Committee would meet next week, and that Lower Loup would be hosting the 2016 State Land Judging Contest. He said the number of participants in both the range judging and land judging contests continues to increase.

NARD Calendars

Schultz said that the NARD wall calendars had been printed and each director had one at their place. He said there were several photos from the Lower Loup included. Pocket calendars were also distributed.

ASSISTANT MANAGER'S REPORT

Variance Committee

*Gibbons Ranch, LLC*

Assistant General Manager Russ Callan reported that Gibbons Ranch, LLC was requesting to convert an 83.4 acre surface water right to groundwater and transfer it to another location to irrigate 71.4 acres. He said Gibbons would have to transfer the entire surface water right.

Lukasiewicz said that this transfer was legal through the variance process that has been granted to NRDs, but expressed concern that it could be a detriment to surface water appropriators as far as "first in time, first in right" priority status. He felt that this small appropriation from the stream probably wouldn't be much of a problem, but it might become a problem if several variances of this kind were granted in the same stream during a dry year and a person made a call on the stream and all the junior rights had been transferred to groundwater. He said that, according to DNR, once a water right is relinquished, it is gone.

**Amsberry motioned, seconded by Thoene, to approve the Gibbons Ranch, LLC variance recommendation to relinquish surface water right A-3714 to irrigate 83.4 acres in Section 15, Township 18, Range 17 West, and to transfer 71.4 acres of irrigation to Section 14, Township 18, Range 18 West. Motion carried by roll call vote. Directors voting yes: Adams Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Loseke, Nelson, Petersen, Rasmussen, Smith, and Thoene. Directors voting no: Lukasiewicz and Thede. Director abstaining: Boesch. Directors absent: Gutzmer and Sieh.**

*Robert Stowell*

Callan said that Robert Stowell wanted to reinstate 33.5 irrigated acres on a field that was previously owned and irrigated by his father-in-law. He provided tax records and FSA documentation showing that the acres were taxed as irrigated.

**Amsberry motioned, seconded by Adams, to approve the Robert Stowell variance recommendation to reinstate and certify 33.5 non-transferable acres in Section 15, Township 18, Range 14 West as irrigated. Motion carried by roll call vote, all present voting yes.**

Water Resources Committee*Groundwater Recharge/Water Quality Project in the Wood River*

Callan reported that Lower Loup and Central Platte NRDs were working together to address water quantity issues between the South Loup and Wood River. He said RFPs were sent out for the development of recharge/augmentation projects, and proposals were received from three firms. He said the proposals were reviewed and ranked by both NRD staffs and discussed with the Water Resources Committee. The Committee is recommending approval of the proposal from HDR/JEO at a cost of \$77,949. The firm would investigate options for recharge, including location, use of existing infrastructure, creating new infrastructure, or a combination of these options. Koehlmoos said that the cost would be split evenly with Central Platte NRD. Callan said that the final report is expected to be in May, 2016.

**Thoene motioned, seconded by Gellermann, that the proposal from HDR/JEO be approved and the Groundwater Recharge/Water Quality Project in the Wood River proceed if the Central Platte NRD Board concurs and agrees to split the \$77,949 costs evenly between the two districts. Motion carried by roll call vote, all present voting yes.**

*Middle Loup River Streamflow Enhancement Project*

Callan reminded the Board that this was the project that Matt Lukasiewicz brought before the Board in October regarding automation and new control features on irrigation district canal systems on the Middle Loup River. Callan said the Farwell, Middle Loup, and Sargent Irrigation Districts were putting together a grant application for water sustainability funds. Callan said that Remy Halm of Rubicon made a presentation to the Committee and said the project would cost approximately \$24 million. Callan said the Committee's recommendation was for Lower Loup NRD to contribute up to \$1.5 million toward the project, contingent on a successful grant application to the Water Sustainability Fund.

Lukasiewicz said this would be a six-year project. Koehlmoos said the \$1.5 million would be spread over several fiscal years.

Thoene said the irrigation districts were doing a good, efficient job. He said the Committee felt that with the IMP process going on, the NRD could 'partner' with the irrigation districts in this streamflow enhancement project.

Thoene suggested the NRD contribute up to \$1.5 million, or up to 50% of what the irrigation districts are contributing. Lukasiewicz responded that the irrigation districts were contributing several in-kind services. Lukasiewicz didn't know how the irrigation districts's in-kind costs would be calculated.

Nelson questioned how the project would save water and if labor would be reduced. Lukasiewicz said that personnel would still be needed to deliver water, so the project would not decrease staff. He said Remy Halm had calculated water savings on a percentage basis. Nelson felt that the project would cost the irrigators a lot of money and wouldn't save any water. Lukasiewicz

said that the irrigators would not be paying for the project and was not anticipating increasing water fees.

Citta suggested having Remy Halm give his presentation to the full Board. Lukasiewicz said that was considered, but date conflicts prevented it. Callan said there was also a conflict due to the grant application submission, which is until the end of the year. Loseke felt more information was needed.

Koehlmoos said the Committee went through all the information and discussed the project in detail. He said the original request was for \$7,169,979, but the Committee brought the amount down to \$1.5 million because they felt that surface water projects were important to the District, and they felt the NRD needed to partner with the grant application made by the Farwell Irrigation District to get the project accomplished. Koehlmoos said the project is an improvement to the District and to the delivery of the water. He said the grant would have to be approved before any money is put toward the project.

More discussion followed. The project would improve water efficiencies for the irrigation districts on the Middle Loup River and benefit downstream users, but would make little impact on groundwater recharge. Lukasiewicz said the only way to move forward with the project is if there were enough contributors to finance the project. He said 60% of the funds would come from the water sustainability grant.

**Thoene motioned that the Lower Loup NRD contribute the same amount as the irrigation districts, up to \$1.5 million, to the Middle Loup Streamflow Enhancement Project, contingent on a successful grant application to the Water Sustainability Fund.**

More discussion followed. Hadenfeldt said the amount requested in the grant will be “all or nothing.”

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

#### *Columbus Area Water Resources Assessment Study Update*

Callan said that precipitation and pumping on the aquifer data was being retrieved from the transducers that were placed around the Columbus area.

#### *Online Nitrogen Application Certification Testing*

Callan said that he, Lorenz, and Schultz have been working with the nitrogen certification program in which a producer has to complete a certification course to be able to apply nitrogen fertilizer in Area 28. He said a nitrogen certification test has now been put on the web, through

UNL, as an option for producers, but the paper test is still available from the NRD. Callan said Lorenz had given a presentation to the Committee on the online process.

**Thoene motioned, seconded by Adams, to approve the online nitrogen application certification testing as an option for producers in the District. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Boesch, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Rasmussen, Thede, and Thoene. Directors not present for vote: Loseke and Smith. Directors absent: Gutzmer and Sieh.**

#### Pibel Lake Change Order

Callan said a change order was needed for the excavation of an additional 3,000 cubic yards of sediment on the upper end of Pibel Lake. The cost was \$36,000. Callan said the change order also includes the creation of a bypass structure to move water beyond the basin, helping to resolve muddy soil conditions in the basin.

**Rasmussen motioned, seconded by Smith, to approve Olsson Associates Change Order No. 1 (Items A & B) for Pibel Lake, which includes the excavation of 3,000 additional cubic yards of sediment (\$36,000) and a channel bypass structure (\$13,085). Motion carried by roll call vote, all present voting yes.**

### PROGRAMS/PROJECTS COMMITTEE REPORT

Koehlmoos said there was no meeting in December, but the Committee would take a close look at the Duncan East IPA drainage project and the Lost Creek IPA project at their January meeting.

### MANAGER'S REPORT

#### U.S. Bureau of Reclamation Agreement for the Davis Creek Recreation Area

Koehlmoos said the 36-page agreement would extend the NRD's lease agreement for 25 years on the Davis Creek Recreation Area, including both the main recreation site and the future expansion site on the south.

**Citta motioned, seconded by Eschliman, to approve the Bureau of Reclamation Lease Agreement for the Davis Creek Recreation Area for 25 years and authorize the Chairman's signature on the document. Motion carried by roll call vote, all present voting yes.**

#### Litigation Update

Koehlmoos reported that Koch case is still under appeal. He said the Prokop case is mostly settled, but new complaints had to be issued for violations.

New Hires

Koehlmoos said that 16 applications were received for the field office secretary position in Columbus.

NARD REPORTDirector's Report

Rasmussen said not much had been going on, but he had been receiving weekly mailings from NARD showing what the different NRDs were doing. He said the next meeting would be in January.

NRC REPORTCommissioner's Report

Hadenfeldt had no report.

RC&D REPORTSLoup Basin RC&D

Rasmussen said many people attended the open house in Burwell at the new office.

PrairieLand RC&D

Gellermann reported that the RC&D had met last week and went over the finances. He said the board approved the new set of bylaws which will allow the distribution of the remaining money when the RC&D disperses. He said the next meeting was in March, and then one in June or July. He said the RC&D should be able to dissolve by the end of June unless someone decides to take over PrairieLand. Gellermann said the RC&D can't dissolve now because of funding issues for the Shell Creek Project.

ELECTION OF OFFICERS, NARD REPRESENTATIVE/ALTERNATE, RC&D DELEGATES/ALTERNATES, LEGISLATIVE CONFERENCE VOTING DELEGATE/ALTERNATE, AND NARD ANNUAL CONFERENCE VOTING DELEGATE/ALTERNATE

Kruse opened nominations for Chairman.

Adams nominated Joe Citta.

Smith nominated Jim Eschliman.

Anderson nominated Gary Kruse.

**Anderson motioned, seconded by Boesch, that nominations for Chairman cease. Motion carried by roll call vote, all present voting yes.**

Ballots were cast for Chairman. Joe Citta was elected Chairman and assumed the seat for the remainder of the meeting.

Citta opened nominations for Vice Chairman.

Smith nominated Jim Eschliman.

Boesch nominated Matt Lukasiewicz.

**Bartak motioned, seconded by Adams, that nominations for Vice Chairman cease. Motion carried by roll call vote, all present voting yes.**

Ballots were cast for Vice Chairman. Jim Eschliman was elected Vice Chairman.

Citta opened nominations for Secretary.

Rasmussen nominated Darwin Anderson.

Adams nominated Hank Thoene.

**Smith motioned, seconded by Petersen, that nominations for Secretary cease. Motion carried by roll call vote, all present voting yes.**

Ballots were cast for Secretary. Hank Thoene was elected Secretary.

Citta opened nominations for Treasurer.

Eschliman nominated Rollie Amsberry.

Adams nominated Jerry Smith.

**Adams motioned, seconded by Kruse, that nominations for Treasurer cease. Motion carried by roll call vote, all present voting yes.**

Ballots were cast for Treasurer. Rollie Amsberry was elected Treasurer.

Citta opened nominations for NARD Representative.

Kruse nominated Dean Rasmussen.

**Adams motioned, seconded by Eschliman that nominations cease and an unanimous vote be cast to name Rasmussen as NARD Representative. Motion carried by voice vote, all present voting yes.**

Citta opened nominations for NARD Alternate.

Hadenfeldt nominated Virgil Gellermann.

**Smith motioned, seconded by Thoene, that nominations cease and an unanimous vote be cast to name Gellermann as NARD Alternate. Motion carried by voice vote, all present voting yes.**

Citta opened nominations for Loup Basin RC&D Representative.

Adams nominated Dean Rasmussen.

**Loseke motioned, seconded by Kauk, that nominations cease and an unanimous vote be cast to name Rasmussen as Loup Basin RC&D Representative. Motion carried by voice vote, all present voting yes.**

Citta opened nominations for Loup Basin RC&D Alternate.

Adams nominated Hank Thoene.

**Smith motioned, seconded by Petersen, that nominations cease and an unanimous vote be cast to name Thoene as Loup Basin RC&D Alternate. Motion carried by voice vote, all present voting yes.**

Citta opened nominations for PrairieLand RC&D Representative.

Loseke nominated Virgil Gellermann.

**Smith motioned, seconded by Eschliman, that nominations cease and an unanimous vote be cast to name Gellermann as PrairieLand RC&D Representative. Motion carried by voice vote, all present voting yes.**

No PrairieLand RC&D Alternate was appointed.

Citta opened nominations for NARD Legislative Conference Voting Delegate and Alternate and NARD Annual Conference Voting Delegate and Alternate. Citta said that Dean Rasmussen and Virgil Gellermann served as Voting Delegate and Alternate, respectively, at both the 2015 Legislative Conference and 2015 Annual Conference.

Adams nominated Dean Rasmussen as Voting Delegate and Virgil Gellermann as Alternate for both the 2016 Legislative Conference and the 2016 Annual Conference.

**Loseke motioned, seconded by Eschliman, that nominations cease and an unanimous vote be cast to name Rasmussen as Voting Delegate and Gellermann as Alternate for both the 2016 NARD Legislative Conference and the 2016 NARD Annual Conference. Motion carried by voice vote, all present voting yes.**

**APPROVAL OF 2016 BOARD MEETING CALENDAR, DESIGNATION OF OFFICIAL NEWSPAPERS & BANKS, SET MAXIMUM COST LIMIT PER PLATE FOR AWARDS DINNER AND MAXIMUM FOR 2015 AWARDS**

**Lukasiewicz motioned, seconded by Boesch, to approve the proposed 2016 Board Meeting calendar; name the Grand Island Independent as the District-wide newspaper with use of The Albion News, The Burwell Tribune, The Custer County Chief, The Columbus Telegram, The Greeley Citizen, The Nance County Journal, The Ord Quiz, The Phonograph-Herald, The Ravenna News, and The Sherman County Times for meeting announcements and legal notices; name Great Western Bank in Ord as the main repository for the Lower Loup NRD's funds and First National Bank in Ord as the secondary repository; and to set the Annual Awards Dinner maximum at \$50 per plate for the meal and \$125 maximum for awards. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Boesch, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Thede, and Thoene. Director not present for vote: Smith. Directors absent: Gutzmer and Sieh.**

**ANNOUNCEMENTS**

Chairman Citta wished everyone a Merry Christmas and Happy New Year.

**ADJOURNMENT**

With no further business before the Board, Chairman Citta declared the meeting adjourned at 6:31 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, January 28, 2016, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

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Henry J. Thoene  
Secretary