

# LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

September 22, 2016

Ord, Nebraska

The September 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 September 22, 2016. Chairman Citta called the meeting to order at 5:02 p.m.

## CALL TO ORDER

### Directors in attendance

James C. Adams  
Darwin B. Anderson  
Joseph L. Citta, Jr., Chairman  
Michael P. Gutzmer  
Randy Kauk  
Clifford P. Loseke  
Gerald Smith  
Dean J. Rasmussen  
Henry J. Thoene, Secretary

Rollie D. Amsberry, Treasurer  
Beth Boesch  
Virgil W. Gellermann  
N. Richard Hadenfeldt  
Gary A. Kruse  
James C. Nelson  
Alan D. Petersen  
Dean G. Thede

### Director absent

Timothy E. Bartak  
Matt Lukasiewicz

Jim Eschliman, Vice Chairman

### 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  
LeeAnn Smith, Water Programs Assistant

Russell G. Callan, Assistant General Manager  
Rita A. Goldfish, Administrative Assistant  
Cheryl K. Hornickel, Programs Assistant  
Richard L. Woollen, District Forester  
Jason Moudry, Water Programs Specialist

### Guests in attendance

Bryce Bauer, LDC, NRCS, Ord  
Jim Wurst, NLRPP&I District, Ord  
Chuck Drake, Downey Drilling, Lexington

Bruce Lammers, Ord  
Chris Shank, Columbus

## NOTICE OF OPEN MEETING LAW POSTING

Chairman Citta referred those in attendance to the open meeting law information posted in the Board room.

## VERIFICATION OF MEETING NOTICE AND ADOPTION OF AGENDA

Chairman Citta 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 that *Item VI-Resolution for Bank Depositories* was added to the agenda.

**Loseke motioned, seconded by Smith, to approve the verification of the meeting notice and adopt the modified agenda. Motion carried by roll call vote, all present voting yes.**

## EXCUSED ABSENCES

Koehlmoos stated that Directors Bartak, Eschliman, and Lukasiewicz had requested to be excused from the meeting.

**Boesch motioned, seconded by Hadenfeldt, to excuse absent directors. Motion carried by roll call vote, all present voting yes.**

## MINUTES

Chairman Citta asked for corrections and/or additions to the August 25, 2016, Board meeting minutes. None being heard, Chairman Citta ruled the August 25, 2016, minutes stand approved as submitted.

## TREASURER'S REPORT

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

Koehlmoos highlighted expenditures to Frahm Construction for renovation work at Davis Creek Recreation Area and to Loup Valleys RPPD for electrical work at the camp site.

**Rasmussen motioned, seconded by Petersen, to approve the September, 2016, Treasurer's Report and pay all bills. Motion carried by roll call vote, all present voting yes.**

## RESOLUTION FOR BANK DEPOSITORIES

Koehlmoos said that a resolution was needed to expand the list of banks used as depositories for funds of the Lower Loup NRD. He stated that the Nebraska banks to be added to the list would be Citizen State Bank in Spalding; Custer Federal in Broken Bow; State Bank of Scotia in Scotia; and

Town and Country Bank in Ravenna. He said the District would deal generally with the banks with respect to depositing funds in a certificate of deposit.

**Smith motioned, seconded by Kruse, to adopt the resolution to add Citizen State Bank in Spalding, Nebraska; Custer Federal in Broken Bow, Nebraska; State Bank of Scotia in Scotia, Nebraska; and Town and Country Bank in Ravenna, Nebraska, to the Lower Loup NRD list of banks used for depositories. Motion carried by roll call vote, all present voting yes.**

## PUBLIC COMMENTS

There were no public comments.

Assistant Manager Russell Callan gave a pre-hearing review and explanation of the proposed changes and additions to the NRD's rules and regulations. Callan highlighted the proposed changes to Rule 1 – Definitions; Rule 2 – Enforcement Authority, Generally; Rule 3 – Complaints; Rule 5 – Irrigation Runoff Water; Rule 6 – Water Well Construction Permits; Rule 8 – Variances; and Rule 13 – Transfers.

He said that a change in the Groundwater Management Area rules was necessary to allow different treatment for acres developed after the Integrated Management Plan was approved. He said that would mean that acres developed after May 9, 2016, could fall under different rules and restrictions. Callan said that rules were developed for handling requests for transfers of large amounts of water out of the District. He said restrictions were developed based on a volume trigger of 250 acre-feet.

## PUBLIC HEARING ON LLNRD RULES AND REGULATIONS

Chairman Citta provided the structure for the public hearing and formally opened the hearing on modifications to the Lower Loup NRD's Groundwater Management Area Rules and Regulations at 5:28 p.m. Callan entered the exhibits from the Lower Loup Natural Resources District into the hearing record including 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 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. He said press releases were sent to District radio stations and was posted on the Lower Loup NRD website. No written testimony was received.

Chairman Citta asked for testimony from the Nebraska Department of Natural Resources and Callan then entered into the record a copy of a letter from Jeff Fassett, Director of the Nebraska Department of Natural Resources.

Chairman Citta asked for testimony from the Department of Environmental Quality and Callan read and submitted into the record a copy of the letter from Jim Macy of the Department of Environmental Quality.

Chairman Citta asked for public testimony in opposition to the proposed rule changes. No testimony was heard.

Chairman Citta asked for public testimony from those who are proponents to the proposed rule changes. No testimony was heard.

Chairman Citta asked for neutral testimony to the proposed rule changes. No testimony was heard.

Chairman Citta asked for comments from the NRD Directors.

Adams said he felt the Board should proceed with a vote on the rule changes in spite of the DNR letter, which sought a hold on the approval of the new rules. He wanted to know what concerns DNR had.

Smith said he wondered if there was a new employee handling the legal counsel for DNR. He said DNR's concerns may stem from a new employee who isn't up-to-speed on the rules and regulations.

Koehlmoos said the letter from DNR, included in the supplemental agenda, sought a hold on the approval of the new rules. He said that he felt the letter, received just hours before the hearing began, was vague in its opposition. He said that the NRD Board could consider modifications to the rules if DNR provided more specific concerns.

Adams asked if Lukasiewicz had any concerns with the rule changes. Callan responded that Lukasiewicz was on the Water Resources Committee and the Committee moved that the rule change go to hearing.

Boesch asked about the urgency of proceeding with the approval of the changes to the rules and regulations, if DNR had concerns. Callan responded that some of the changes would affect the granting of new acres. Discussion followed about possible DNR concerns.

Gellermann asked about the publishing rules. Koehlmoos said that given the \$6,000 cost of publishing the rules changes as legal notices, it seemed financially prudent to proceed. Amsberry said that if the Board approved the new rules, they would be in place for the new acres approvals. He said the rules could be changed if needed. Smith agreed with Koehlmoos that proceeding with a vote on the rules seemed appropriate given the time and money spent on the process. Kruse thought the rule changes had been reviewed thoroughly and that the Board should proceed.

Kauk asked when the new acres process would be completed. Callan answered that it should be done by the end of October.

Chairman Citta closed the hearing at 5:44 p.m.

**Adams motioned, seconded by Smith, to approve modifications to Rules 1, 2, 3, 5, 6, 8, and 13 of the Lower Loup NRD's *Groundwater Management Area Rules and Regulations for the Enforcement of the Nebraska Groundwater Management and Protection Act* and approve publication of the Order of Designation No. 2016-02. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Citta, Gellermann, Gutzmer, Hadenfeldt, Kauk, Kruse, Loseke, Nelson, Petersen, Rasmussen, Smith, Thede, and Thoene. Director voting no: Boesch. Directors absent: Bartak, Eschliman, and Lukasiewicz.**

The Board indicated a willingness to resolve any DNR concerns when specific information was provided.

### FY 2016 AUDIT REPORT

Bruce Lammers of Severson, Lammers and Abel, CPAs, P.C., presented a brief summary of the Fiscal Year 2016 Audit Report. He said that District accounts looked good and thanked staff for their cooperation.

**Boesch motioned, seconded by Anderson, to approve the FY 2016 Audit Report. Motion carried by roll call vote, all present voting yes.**

### FORESTER'S REPORT

District Forester, Rich Woollen said that he and the technicians had been visiting some of the current year's conservation tree plantings in the District. He said he had completed sites in the central and eastern part of the District and would be looking at western plantings soon.

Woollen said he demonstrated the Simtable at Husker Harvest Days recently and said several interested people stopped by to visit about wildfire and discuss steps they could take to reduce loss of property and life. Woollen said the Simtable would be displayed at the NARD Conference next week.

Woollen said that Bessey Nursery Client's Day would be held on October 12<sup>th</sup> at Halsey and invited directors and staff to attend.

### NRCS REPORT

Bryce Bauer, District Conservationist, reported that there had been ToolKit training recently on new mapping software for developing contracts.

He said the NRCS fiscal year ends next week and staff is completing a few more contracts.

Bauer said that a Conservation Festival was held in Burwell on the 7<sup>th</sup>, with many students attending. He said the festival would probably be held again next year.

He said plans for the Gabe Brown presentation in December were going well and that the needed funds were raised. He said Arrow Seed donated \$2,000.00. Bauer said there will be a charge for the meal.

## APPOINTMENT OF NEW REPRESENTATIVE AND ALTERNATE FOR THE LPRBC BOARD

Koehlmoos said that someone will need to replace Darwin Sieh on the Lower Platte River Basin Coalition Board and that it would be good to select a couple alternates in case either representative is not able to attend the meetings. Koehlmoos asked for nominations.

Gutzmer asked what the Coalition Board did. Koehlmoos responded that 7 NRDs and NDNR make up the Coalition and they have signed an interlocal agreement to pursue and discuss water management components that could comprise a voluntary basin-wide water management plan. He said the group also deals with water banking issues. Koehlmoos said the structure of the Coalition consists of a technical committee, a management committee, and the Board of Directors.

Adams nominated Thoene and said that he had previously been an alternate on the Coalition Board.

**Adams motioned, seconded by Loseke, that nominations cease and an unanimous vote be cast to name Thoene as a LPRBC Board Representative. Motion carried by voice vote, all voting yes.**

Koehlmoos asked for nominations for Alternate.

Gellermann nominated Gutzmer. Boesch nominated Citta.

**Anderson motioned, seconded by Boesch, that nominations cease and an unanimous vote be cast to name Gutzmer and Citta as LPRBC Board Alternates. Motion carried by voice vote, all present voting yes.**

Citta said that the Coalition's Board of Directors has two voting representatives from each member and that it's important that the NRD's interests be represented.

Koehlmoos said the next LPRBC meeting would be October 17<sup>th</sup> in Ord.

## INFORMATION AND EDUCATION REPORT

### Hazard Mitigation Plan

Information & Education Coordinator Larry Schultz reported that a second round meeting on the Hazard Mitigation Plan had been held in Broken Bow with 9 participants attending. He said additional meetings on the HMP would be held October 4<sup>th</sup> in Albion at the Fire Hall at 10:00 a.m. and at the Community Building in Genoa at 2:00 p.m. He said that the final meeting would be October 5<sup>th</sup> at 2:00 p.m. at the Loup Basin Technology Center in Ord.

## Conservation Festival

Schultz told the Board that a Conservation Festival had been held in the Burwell City Park on September 7<sup>th</sup>. There were 76 students from Ord Public, Ord St. Mary's, Burwell, and Spalding Academy attending. He said he presented a session called "Aqua-Flurry." Students built a replica of an aquifer utilizing food items, including crushed ice, blue colored Sprite, cupcake sprinkles, ice cream, chocolate syrup, and colored sugar. The students then got to eat the treat. He said the LLNRD provided food for the presenters and bottles of water for all students and teachers attending.

Schultz said each Director attending the NARD Conference would find room reservation information on the table at their place.

## ASSISTANT MANAGER'S REPORT

### Water Resources Committee

#### *Phase III SDF Map*

Assistant General Manager Russell Callan said that the latest Stream Depletion Factor (SDF) map from USGS was available for use in scoring applications for new irrigated acres. He said the new map refines the map from full sections to ¼ sections. He said SDF readings get higher closer to the river.

**Smith motioned, seconded by Gellermann, to utilize the latest version of the SDF map for scoring applications for new irrigated acres. Motion carried by roll call vote, all present voting yes.**

#### *New Irrigated Acres*

Callan said that staff had been working with landowners on applications for new irrigated acres in the Beaver Creek and North Loup basins. He said the sign-up period was from September 1-20. He said that 29 applications were received in the Beaver Creek basin for 2,257 irrigated acres and 35 applications were received in the North Loup basin for 2,591 irrigated acres.

#### *Update on Area 28 Flowmeter Maintenance*

Callan reported that staff had visited with Northern Ag of Henderson to discuss the maintenance program for the flowmeters in Area 28. He said there was a list of maintenance requirements expected of Northern Ag. Callan said that 100% of the required flowmeters have been installed in Area 28.

## PROGRAMS/PROJECTS COMMITTEE REPORT

### Gabe Brown No-Till Presentation

Kruse reported that three other NRDs had given \$500.00 to help fund the Gabe Brown No-Till presentation that will be held in Ord at the Trotter Event Center in December. He said the Committee recommended that Lower Loup NRD contribute \$500.00.

**Kruse motioned, seconded by Loseke, that Lower Loup NRD contribute \$500.00 towards the Gabe Brown No-Till presentation. Motion carried by roll call vote, all present voting yes.**

### Duncan East Drainage IPA Maintenance

Kruse said that staff had met with the U.S. Army Corps of Engineers regarding drainage issues in the IPA. The COE gave staff the go-ahead to submit a proposal for the project.

**Kruse motioned, seconded by Boesch, to remove the sheet piling and have staff submit to the U.S. Army Corps of Engineers a proposal to remediate the Duncan East IPA drainage issues. Motion carried by roll call vote, all present voting yes.**

Koehlmoos reported that the sheet piling around Ruby's Slough could be removed, and any soil removed would have to be hauled off-site. The area could not be filled in.

Callan said that culverts had been ordered for the Brent Nyffeler drainage problem.

### Jerry Schreiber Drainage Problem, Columbus

Koehlmoos said that he had talked to Jerry Schreiber and told him that the IPA process would be a long and detailed one. He said that Schreiber was working on delineating the IPA boundaries. Koehlmoos said Schreiber was given a 6 month extension.

## MANAGER'S REPORT

Koehlmoos said he had no report.

## NARD REPORT

### Director's Report

Rasmussen reported that the NARD Board would meet in Kearney next week at the conference.

## NRC REPORT

### Commissioner's Report

Hadenfeldt said the NRC met in Gothenburg and said 24 project applications had been received by DNR. He said there were 9 major projects totaling \$40 million, but only \$24 million was available. Hadenfeldt said the group would not be meeting in Kearney, but the Commission would meet on December 3<sup>rd</sup>.

## RC&D REPORTS

### Loup Basin RC&D

Rasmussen said the RC&D had not met. He said the next meeting would be September 29<sup>th</sup>.

### PrairieLand RC&D

Gellermann said that the RC&D would meet on September 29<sup>th</sup> to look at expenses and bills. He thought that funding would be used up by November and the RC&D would close.

## ANNOUNCEMENTS

Koehlmoos informed the Board about the *Water Leaders Academy*.

Schultz told the Board that he had helped at the Area IV Range Judging Contest near Marquette on September 21<sup>st</sup>. He said the Junior Division was won by Taylor Ference of Loup City, who had attended range camp on an LLNRD scholarship. He said Loup County had the top Senior Team and Burwell had the top Junior Team.

Nelson said the flows in the South Loup River were still 30% under normal.

## ADJOURNMENT

With no further business before the Board, Chairman Citta declared the meeting adjourned at 6:42 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, October 27, 2016, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

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Henry J. Thoene  
Secretary