

MINUTES

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

July 27, 2017

Ord, Nebraska

The July 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 July 27, 2017. Chairman Citta called the meeting to order at 5:00 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson
Robert Bauer
James J. Eschliman, Vice Chairman
Randy Kauk
Matt Lukasiewicz
Alan D. Petersen
Gerald P. Smith

Rollie D. Amsberry, Treasurer
Tim Bartak
Joseph L. Citta, Chairman
Virgil W. Gellermann
Gary A. Kruse
James C. Nelson
Chad Podolak
Henry J. Thoene, Secretary

Directors absent

Beth Boesch
Dean G. Thede

N. Richard Hadenfeldt

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Larry D. Schultz, I&E Coordinator
Jason Moudry, Water Programs Specialist
Dell R. Harris, Water Resources Specialist
Tylr Naprstek, Water Modeling Coordinator
Rita A. Goldfish, Administrative Assistant
Jane Klanecky, Receptionist

Russell G. Callan, Assistant General Manager
Irene F. Kreifels, Financial Secretary
Cheryl K. Hornickel, Programs Assistant
Richard L. Woollen, District Forester
V. Anne Freeman, Water Programs Secretary
LeeAnn Smith, Water Programs Assistant

Guests in attendance

Bryce Bauer, Liaison DC, NRCS, Ord
Tom Klanecky, DNR, Ord

Ken Zeller, Cairo
Brad Staab, Ord

Anna Baum, ULNRD, Thedford
Mike Murphy, MNNRD, Valentine
Jon Dockhorn, Monroe
Don Blankenau, Blankenau, Wilmoth, Jarecke, LLP, Lincoln

Bobbie Joe Christensen, Arnold
Mike Wells, Twin Loup Rec. Dist., Scotia
LeRoy Behnk, Elgin

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 there were no modifications to the agenda.

EXCUSED ABSENCES AND ROLL CALL

Koehlmoos stated that Directors Boesch, Hadenfeldt, and Thede had requested to be excused from the meeting. Chairman Citta said excused absences and roll call would be combined.

Smith motioned, seconded by Petersen, to excuse all absent directors. Motion carried by roll call vote, all present voting yes.

Directors present: Adams, Amsberry, Anderson, Bartak, Bauer, Citta, Eschliman, Gellermann, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Podolak, Smith, and Thoene. Directors absent: Boesch, Hadenfeldt and Thede.

MINUTES

Chairman Citta asked for corrections and/or additions to the June 22, 2017, Board meeting minutes. None were heard.

Kauk motioned, seconded by Smith, to approve the June 22, 2017, Board meeting minutes. Motion carried by roll call vote, all present voting yes.

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 bills for data loggers for observation wells on the South Loup River, newsletter expenses, trees for Burwell Park, Wi-Fi at Davis Creek, Bowman Lake Restoration Fund (year 2 of 3), playground equipment at Pibel Lake, and special project expenses.

Anderson motioned, seconded by Kruse, to approve the July, 2017, Treasurer's Report and pay all bills. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Bauer, Citta, Gellermann, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Podolak, Smith, and Thoene. Directors abstaining: Adams and Eschliman. Directors absent: Boesch, Hadenfeldt, and Thede.

PUBLIC COMMENTS

There were no public comments.

FORESTER'S REPORT

District Forester Richard Woollen reported that Burwell had received two grants for replacement trees in the park after a 2015 storm.

Woollen said that the Single Engine Air Tanker (SEAT) plane, stationed in Valentine, has addressed several wildfires this year. He showed a video demonstration of the plane.

Woollen reported that he participated in a BioMass Day sponsored by the Middle Niobrara NRD. Discussion included ways to create some markets for woody biomass. He said that this might lead to NRCS adopting a mulching practice.

NRCS REPORT

Bryce Bauer, LDC in Ord, reported that Craig Derickson, State Conservationist, had been detailed to Washington, DC, and Myron Taylor was the Acting State Conservationist. He said offices were working to get CSP and EQIP obligated by September 15th. He said that funds obligated for EQIP practices in the Lower Loup NRD amounted to \$1.6 million, and that the CSP workload was down this year in the Lower Loup area.

Bauer reported that their office had been getting several requests for emergency haying and grazing and that FSA had opened it up statewide.

APPLICATION FOR PERMIT FOR INSTREAM FLOW APPROPRIATION: DETERMINE WHETHER TO FILE PROPOSED APPLICATION FOR PERMIT FOLLOWING PUBLIC HEARING

Koehlmoos said that Don Blankenau of Blankenau, Wilmoth, Jarecke, LLP was in attendance and helped compile the application. Blankenau explained the application process and said that there were very clear statutory criteria that had to be met in order for the appropriation to be granted. He said if the application was approved by the Board tonight, it would probably be filed the next day, DNR would review it, and then it would wait further review which could take several years. He said that the day the application is filed will be the priority day.

Koehlmoos said there were no other instream flow applications in the Loup Basin and nothing was pending.

Lukasiewicz said that Lower Loup NRD was currently under IMP rules and wondered if the instream flow appropriation rules would be outside of the IMP rules. Blankenau responded, “No,” and that the IMP rules would need to be amended if the appropriation was granted to accommodate the appropriation.

Lukasiewicz asked if there was an immediate concern with fish and/or wildlife so that the application needed to be filed. Blankenau answered that the motivating factor was that, because the Loup River is a tributary of the Platte River, the flows could be claimed by someone downstream. He said the application is making the flows available for fish, wildlife and recreation and is locally controlled.

Lukasiewicz asked what the source of the unappropriated water was. Blankenau said there was a hydrologic analysis in the application report and said The Flatwater Group looked at how DNR viewed unappropriated water for this purpose in other approved applications and then duplicated the analyses in this case. He said Loup Power’s water rights were non-consumptive and that right would be honored with Lower Loup’s application.

Blankenau said the non-consumptive use right would be looked at by DNR within their fully-appropriated analysis, but, due to statute, it cannot force a basin into a fully-appropriated status.

Blankenau said that if Lower Loup’s application is approved, the water rights would remain junior to water rights already granted and also to those already pending at the time and then granted.

Kauk asked that if the application was approved and there was extra water in the river and someone applied for it, would they come before DNR or NRD? Blankenau responded that Lower Loup would have a water right that is administered by DNR, so anyone who comes along, subsequently, and wants a water right, they would have to go through DNR. He said if DNR concluded that there was no unappropriated water available, the individual could come to the Lower Loup NRD Board to see if they would relinquish a portion of their rights.

Thoene motioned, seconded by Smith, that staff proceed with the process for submitting an *Application for a Permit to Appropriate Water for Instream Flows*. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Bauer, Citta, Eschliman, Gellermann, Kauk, Kruse, Nelson, Petersen, Podolak, Smith, and Thoene. Directors voting no: Adams and Lukasiewicz. Directors absent: Boesch, Hadenfeldt, and Thede.

INFORMATION AND EDUCATION REPORT

Hazard Mitigation Plan

Information and Education Coordinator Larry Schultz reported that both NEMA and FEMA had reviewed the Hazard Mitigation Plan and that the plan process had been completed except for the signing of the resolutions by the participants. Schultz said that FEMA was impressed with the plan, saying it was “among the strongest they had seen” and that the planning team “really knocked it out of the ballpark.”

Schultz said the resolution adopting the LLNRD Hazard Mitigation Plan update would need to be signed. He said the approved resolution means that the NRD would be eligible to seek financial assistance with mitigation projects and disaster applications.

Gellermann motioned, seconded by Eschliman, to approve the resolution adopting the *Lower Loup Natural Resources District Multi-Jurisdictional Hazard Mitigation Plan* in its entirety. Motion carried by roll call vote, all present voting yes

Quarterly I & E Meeting

Schultz reported that the I&E group met in Sidney and toured the Oliver Reservoir Recreation Area which was inherited by the South Platte NRD from the Nebraska Game & Parks Commission.

He said the group talked about upcoming functions, including Husker Harvest Days and the 2020 National Envirothon contest to be held in Nebraska. He said Lower Loup would be hosting the Range Judging Contest in September.

Annual NARD Conference

Schultz said that the NARD Conference would be held September 24-26 in Kearney. He passed around a sign-up sheet for those who were interested in attending.

Schultz reported that the 4 States Summer Tour would be held August 16-17. Mike Wells said the tour would include sites from Columbus to the Calamus Reservoir.

Schultz also reported that there will be a Project SENSE Demonstration Day at the Jeremy Janssen farm near Monroe on August 14th. He said that Mike Lorenz, NRD Agronomist, works with UNL on the program which focuses on improving the efficiency of nitrogen fertilizer use.

NEW IRRIGATED ACRES – DATA REVIEW

Callan reported that every year the NRD considers whether or not to grant additional irrigated acres in the NRD per the IMP process. He said he would like to refer this item to the Water Resources Committee for discussion.

ASSISTANT MANAGER’S REPORT

Davis Creek Phase II Update

Water Modeling Coordinator Tylr Naprstek reported that construction by Rutjens continues at Davis Creek and is only halted due to rain. He said people had been cleaning fish on the picnic tables and showed pictures of the ADA fish cleaning station that was being installed this week. He said the fish waste would be disposed of in the lagoon. He said a pit latrine had been delivered at the new boat launch area and a sidewalk poured.

Columbus Area Water Resources Assessment Study Update

Callan reported that O&M figures had to be revised in the Water Sustainability Fund application for the Columbus Recharge Project since the NRD can't match O&M to the project, thereby increasing costs to the sponsors. He said that ADM agreed to provide 70% of the non-grant funding and Christopher's Cove and the City of Columbus would provide 10%. Callan said that the NRD's contribution of 20% would increase by approximately \$50,000 and would need approval by the Board before proceeding with the application for grant funds.

Callan said the new O&M figure would be \$80,000 for the next 20 years (\$4,000 per year).

Kruse motioned, seconded by Anderson, to add \$47,000 to the June, 2017, motion that stated the District's contribution of \$195,200 for the Columbus Lost Creek/ Christopher's Cove Project, and not to exceed \$242,200. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Kruse, Lukasiewicz, Nelson, Petersen, Podolak, Smith, and Thoene. Directors voting no: Adams and Kauk. Director abstaining: Bauer. Directors absent: Boesch, Hadenfeldt, and Thede.

CMAT

Callan said that CMAT is a Conjunctive Management Analysis Tool being developed by Olsson Associates and FYRA Engineering. He said it's a front-end computer program that processes information and can be used to answer water management questions in a more timely manner versus a complete model run. Callan said the NRD works with the ELM model, COHYST, a portion of the Columbus model, and the High Plains model and said CMAT could be used to ask the models questions and change the parameters. He said the NRD uses data from one or more of the models nearly every day.

Callan said the Lower Loup NRD has been approached to participate in developing and using the CMAT tool. Koehlmoos said he thought the tool would be valuable to the NRD and would increase the capacity of the ELM model by 10-20%.

Discussion followed on possibly charging a fee for information given out to companies/ organizations, risk of investing in the tool vs. benefits received, concerns if the program would work and if the tool would give the information it says it would give, and length of time until the NRD would get benefits from the tool.

Callan said that \$100,000 had been set aside in the budget, based on valuations. Koehlmoos said that the NRD is interested in the tool and he would like to continue in the dialogue, but no commitments have been made at this point. He said he would bring a proposed contract back to the Board when a price is negotiated.

ELM Update

There was no report.

PROGRAMS/PROJECTS COMMITTEE

Village of Merna Playground Equipment

Kruse reported that representatives from the Village of Merna met with the Committee requesting financial assistance for some playground equipment and fencing.

Koehlmoos said that the original request was for fencing, but that the Village had gone ahead and installed part of the fence, then revised the request to include playground equipment in the other half of the lot that was donated to the Village.

Kruse motioned, seconded by Bartak, to approve funding of 20% of project costs, not to exceed \$3,000, for new playground equipment, fencing and installation, for the Village of Merna. Motion carried by roll call vote, all present voting yes.

USGS Proposal for Two New Stream Gages

Naprstek reported that USGS had funds available for two new stream gages in Custer County. He said the gages would be located near Gates on the Middle Loup River and near Pressey Park on the South Loup River. Total cost per gage is \$13,500; partial year operational cost is \$4,090; and annual ongoing operational costs are \$14,975, with both the Lower Loup NRD and USGS sharing in the costs, based on figures presented at the July Programs/Projects Committee meeting.

Eschliman motioned, seconded by Kauk, to approve financial assistance with USGS to install and maintain two new gages on the South and Middle Loup Rivers. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Bauer, Citta, Eschliman, Gellermann, Kauk, Kruse, Lukaszewicz, Petersen, Podolak, Smith, and Thoene. Director voting no: Nelson. Directors absent: Boesch, Hadenfeldt, and Thede.

Clear Creek Project Implementation Plan

Naprstek reported that there was available funding for a Clear Creek Project, which had previously been approved as part of the Pibel Lake Renovation Project. He said the original amount of \$99,849 was designated through NDEQ's 319 program for implementation of the sediment settling basin; but, due to time constraints, NDEQ reallocated that funding to go towards a Project Implementation Plan (PIP) for developing conservation practice cost-share in the basin. He said the project would utilize 319 and matching (40%) LLNRD funding over a 3-year period through 2020.

Kruse motioned, seconded by Petersen to utilize the funding of \$99,849 with matching NRD funds over a 3-year period for best management practice implementation in the Clear Creek Watershed, to be dispersed in equal amounts over a three-year period. Motion carried by roll call vote, all present voting yes.

Albion Soil Health Conference Funding

Bryce Bauer said that Ray Archuleta, a retired NRCS soil health specialist, would be speaking in Albion on September 6th and giving a presentation on cover crops. He said they expect up to 400 people in attendance. He said NRCS is seeking sponsors.

Kruse motioned, seconded by Gellermann, to donate \$500 for the NRCS Soil Health Conference to be held in Albion. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Bauer, Citta, Eschliman, Gellermann, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Podolak, and Thoene. Director not present during vote: Smith. Directors absent: Boesch, Hadenfeldt, and Thede.

MANAGER'S REPORT

NARD Conference

Koehlmoos said the deadline for submitting resolutions was August 18th. Lukasiewicz mentioned that there had been discussion in the past regarding a resolution pertaining to the Prokop case. Koehlmoos said that nothing had been compiled.

Litigation Update

Koehlmoos reported that Prokop had hired an attorney and that an Appeal of Prejudice had been filed. He said the NRD attorney in Lincoln was working on the case.

New Hires

Koehlmoos reported that there were no new hires.

Non-action Reports

There were no reports.

FY 2018 BUDGET WORKSHOP #2

Koehlmoos directed the Board to the budget information included in the agenda.

Code 475 – Buffer Strip Program - \$170,002

Code 462 – Arboretum Budget - \$10,000

Code 438 – Special Projects - \$1,210,000

Callan highlighted new projects – Cover Crop GW Impact Study, Clear Creek-Pibel Lake PIP, and CMAT Model Project

Code 473 & 301 – Water Quality Fund - \$105,000

Code 301 & 303 – State and Federal Grant Funds (Income Side) - \$2,183,124

Code 422 – Scrap Tire Collection - \$24,557

Code 471 – Water Well Decommissioning Fund - \$30,000

Code 470 & 440 – Land Treatment - \$284,000

Code 478 – Watershed Plans - \$0
Code 441 – Project Construction - \$3,500,000
Code 443 – Project Land Rights - \$400,000
Code 445 – Project Legal Costs - \$50,000
Code 447 – Duncan East IPA - \$4,767.06
Code 448 – Lost Creek IPA - \$1,716.98
Code 466 – FEMA Hazard Mitigation Plan - \$21,208
Code 449 & 309 – Stock and Stock Purchases - \$160,000
Code 165 – Machinery & Equipment - \$58,000
Code 476 – Community Forestry Program - \$35,000
Code 477 – Prescribed Burn Program - \$30,000
Code 163 & 161 – Capital Improvements & Land - \$0?

Koehlmoos said the tentative NRD budget for FY 2018 will be less than last year on the property tax request.

Anderson motioned, seconded by Smith, to tentatively approve the second half of the FY 2018 Budget and set the Budget Hearing for August 24th at 5:15 p.m. Motion carried by roll call vote, all present voting yes.

NARD REPORT

Director's Report

Eschliman reported that the NARD Board hadn't met, but that the State Fair, Husker Harvest Days, and the NARD Annual Conference are coming up.

NRC REPORT

Commissioner's Report

In the absence of Hadenfeldt, Koehlmoos reported that two people attended the closed meeting in Kearney on the Rules yesterday, and the public meeting in the afternoon was attended by the same two people. Koehlmoos said there would be a few changes to the Rules.

RC&D REPORTS

Loup Basin RC&D

Thoene reported that 256 tons of tires were collected in Burwell. He said there had been discussion about some possible grants for weed management in the Sandhills.

Eschliman motioned, seconded by Gellermann, to appoint Hank Thoene as Delegate to the Loup Basin RC&D and Jim Adams as Alternate. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Bartak, Bauer, Citta, Eschliman, Gellermann, Kauk, Kruse, Lukasiewicz, Nelson, Petersen, Podolak, Smith, and Thoene. Director not present during vote: Anderson. Directors absent: Boesch, Hadenfeldt, and Thede.

PrairieLand RC&D

Gellermann said there was no report.

ANNOUNCEMENTS

Kauk reported that he had heard many compliments regarding the Davis Creek Recreation Area.

Mike Murphy, Manager of the Middle Niobrara NRD, congratulated Lower Loup Directors and staff on their wise management of taxpayer dollars and on the projects that are being accomplished.

ADJOURNMENT

With no further business before the Board, Citta 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 August 24, 2017, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Henry J. Thoene
Secretary