

MINUTES

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

July 26, 2018

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 26, 2018. 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
Joseph L. Citta, Chairman
Virgil W. Gellermann
Randy Kauk
Matt Lukasiewicz
James C. Nelson
Chad Podolak
Henry J. Thoene, Secretary

Rollie D. Amsberry, Treasurer
Tim Bartak
Beth Boesch
James J. Eschliman, Vice Chairman
N. Richard Hadenfeldt
Gary A. Kruse
Larry Mohrman
Alan D. Petersen
Dean G. Thede
Rick Vlach

Director absent

Gerald P. Smith

Staff in attendance

Russell G. Callan, General Manager
Irene F. Kreifels, Administrative Assistant
Larry D. Schultz, I&E Coordinator
V. Anne Freeman, Water Programs Secretary
Jason Moudry, Water Programs Specialist
Cam Conrad, Water Modeling Coordinator
Jane Klanecky, Receptionist
Leeann Smith, Water Programs Assistant

Tylr Naprstek, Assistant General Manager
Kim A. Lyons, Financial Secretary
Cheryl Hornickel, Programs Assistant
Dell R. Harris, Water Resources Specialist
Dan Ruterbories, Rangeland Resources Tech
Richard L. Woollen, District Forester
Brent D. Lakin, Water Resources Tech

Guests in attendance

Bryce Bauer, LDC, NRCS, Ord
Randy Treptow, Comstock
Trevor Lee, Economic Development Director, Ord

Clifford Hanna, Milburn
Tom Klanecky, DNR, Ord

NOTICE OF OPEN MEETING LAW POSTING

Chairman Citta referred those in attendance to the open meeting law information posted in the Board room and that meeting material was available at the entrance to the Board room.

VERIFICATION OF MEETING NOTICE AND ADOPTION OF AGENDA

Chairman Citta asked for verification of the meeting notice. General Manager Russ Callan stated 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. He said the agenda was current.

EXCUSED ABSENCES AND ROLL CALL

Citta reported that Director Smith would not be present at the meeting and had asked to be excused.

Adams motioned, seconded by Boesch, to approve the agenda and excuse absent directors. Motion carried by roll call vote, all present voting yes.

Roll Call – Directors Present: Adams, Amsberry, Anderson, Bauer, Boesch, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Lukasiewicz, Mohrman, Nelson, Podolak, Smith, Thede, Thoene, and Vlach. Directors Absent: Bartak, Petersen, and Smith.

MINUTES

Chairman Citta asked for corrections and/or additions to the June 28, 2018, Board meeting minutes. None were heard.

Mohrman motioned, seconded by Thede, to approve the June 28, 2018, Board meeting minutes as presented. Motion carried by roll call vote, all present voting yes.

Petersen arrived at 5:03 p.m.

TREASURER'S REPORT

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

Callan highlighted the expenses listed for \$10,000 to Cornhusker Press for newsletter; Thoene Farm Service for \$11,000 for bush hog mower; Phoenix Web Group for \$24,000 for work on database; JEO for \$18,000 for Ravenna Lake; HDR for \$6,000 for Pibel Lake and \$20,000 for the Lillian Creek feasibility study; Yanda's Pro Audio & Video for \$5,712.68 for installation of security cameras; and Rutjens for \$97,000 for work done at Davis Creek.

Kruse motioned, seconded by Boesch, to approve the July 26, 2018 Treasurer's Report and pay all bills. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bauer, Boesch, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Lukasiewicz, Mohrman, Nelson, Petersen, Podolak, Thede, and Vlach. Director abstaining: Thoene. Directors absent: Bartak and Smith.

The Treasurer's Report Approval Policy states that the approved expenditures are to be published and each director who has per diem and/or reimbursement of expenses included in such financial reports, abstains from voting for the approval of his or her own per diem and/or expense reimbursement.

PUBLIC COMMENTS

Citta asked for public comments. Clifford Hanna stated he would have comments later in the meeting during discussion on the Lillian Creek Project and Sargent Irrigation District's application for irrigated acres.

FORESTER'S REPORT

Richard Woollen, District Forester, reported on the Buffer Strip Program and the two options available—grass filter strips and riparian forest buffer strips. Woollen said that the Nebraska Department of Agriculture was estimating at least \$90,000 in annual rental payments for new buffer strip contracts in FY19 and that interested landowners should contact their local NRD or USDA Natural Resources Conservation Service office to find out the requirements and begin the application process.

Bartak arrived at 5:09 p.m.

Woollen also reported that a Nebraska Statewide Arboretum tour took place last week and a group of interested persons from across the state made a stop at the NRD's arboretum, then on to Taylor to see the Taylor Juniper. He said this year was the 40th anniversary of the Nebraska Statewide Arboretum.

Boesch asked how buffer strips help with filtering chemicals. Woollen replied that the roots from the grass or trees in the buffer strips intercept the pesticides and other chemicals and trap them in the roots before they can reach the stream. He also stated buffer strips offer a wildlife habitat area.

NRCS REPORT

Bryce Bauer, NRCS, reported that staff was working on dam projects where the dam washed out or the face was eroding. He mentioned that there had been a renewed interest in dams. Bauer stated they were starting CSP re-enrollments and that they were still funding EQIP contracts. He said money was coming in from other states that returned it or from NRDs that couldn't use the funds. He said staff had followed-up on some spring CRP projects and they were looking good. Bauer discussed the importance of filter strips in catching sediments, phosphorus, nitrogen, atrazine, and other chemicals. He said that the chemicals are slowed down but may still reach the streams in smaller amounts.

INFORMATION & EDUCATION REPORT

Larry Schultz, Information & Education Coordinator, reported that he had been working with Red Thread and showed the Board a rough draft of the tree planting video that was being produced.

Quarterly I&E Meeting

Schultz reported that the quarterly I&E meeting was held in Alma on July 18-19. He said the group toured the Harlan County Dam and lake. He said NARD staff was attending the National Envirothon in Pocatella, Idaho, to gather information for the 2020 national contest to be held in Nebraska. Schultz said the State Fair was discussed and stated there would be a water table set up showing how groundwater and surface water are connected. Also discussed at the meeting were updates to the NRD and Basin Fact Sheets, land and range judging, ACE Camp, and Husker Harvest Days.

Annual NARD Conference

Schultz informed Directors that the annual NARD Conference would be held September 23-25 in Kearney and passed around a sign-up sheet for anyone wishing to attend.

ASSISTANT GENERAL MANAGER'S REPORT

Davis Creek – Phase II Update

Tylr Naprstek, Assistant General Manager, showed pictures of the progress at Davis Creek. He reported that the playground structures had been installed and surfacing was completed. Naprstek said that the building pad had been poured and the metal was on site to be installed. He stated that NRD staff had been working on pouring sidewalk approaches and putting in a handicap parking stall by the old dock. He also reported that handicap parking had been installed by the inlet latrine.

Pibel Lake Update

Naprstek reported that HDR had been surveying the outlet pipes. He said that HDR had originally thought a sliplining project would take care of the problem, but due to seepage on the outside of the pipe, engineers said that sliplining would not fix the problem. He said that a request for a Nationwide 404 permit had been sent to the Corps of Engineers and NRD staff was waiting to hear back from them.

Buffalo County, Ravenna Lake Report

Naprstek reported that JEO was working on the final report and assessing 12 different sites upstream and downstream of Ravenna Lake as far as functional recharge along the South Loup River, since it had been determined that Ravenna Lake would not work as a site for a recharge project. He said staff would still doing water quality analysis to determine the cause of duckweed growth on the lake.

Columbus Area Water Resources Assessment Study Update

Naprstek reported that equipment had been installed for the real-time gages, but wells would not be drilled until fall. He said one more producer needed to sign an easement agreement to allow access. He said that a transducer would be installed at the Christopher's Cove bridge, providing water data from the lake in the housing development.

ELM Update

Naprstek stated that the thermal study on the South Loup and North Loup Rivers had been published.

WATER RESOURCES COMMITTEE

Water Sustainability Fund Applications

In Smith's absence, Naprstek reported that staff would be submitting three grant applications for Water Sustainability Funds -- Buffalo County Aerial Electromagnetic Survey/\$250,000; Cover Crop Study/\$250,000; and JEO Drought Study/\$52,000.

Columbus Recharge Project Update

Naprstek reported that the week of August 6th there would be a meeting with the City of Columbus, Lower Loup NRD, and ADM to locate sewer and other utilities.

New Irrigated Acres

Naprstek referred the Board to a map in the Supplemental Agenda showing the basins in the NRD where there would be available water for new irrigated acres, according to data from INSIGHT, SWL readings, and stream gage information. Naprstek reported that groundwater

declines have routinely been seen south of the Middle Loup River, and surpluses on the north side. He said that the Cedar River sub-basin was not included because of acres being transferred to that area and also there had not been a lot of groundwater surplus observed in that sub-basin. Naprstek reported that staff recommendation was to not allow additional acres in 2019 south of the main stem of the Loup River in Area 28 because of groundwater quantity issues in the west and water quality issues in the east.

Naprstek said that the Committee is recommending the approval of 2,500 new irrigated acres in the North Loup-Spring Creek-Loup (1,250 acres), Middle Loup-Oak (500 acres), and Plum-Beaver-Loup (750 acres) sub-basins.

Clifford Hanna asked if the NRD felt this would satisfy DNR to allow new acres. Callan stated that the NRD had submitted a letter indicating its approval and that the extra acres should be granted for development; however, the decision was theirs to make.

Gellermann motioned, seconded by Adams, to allow 2,500 new irrigated acres in the North Loup-Spring Creek-Loup (1,250 acres), Middle Loup-Oak (500 acres), and Plum-Beaver-Loup (750 acres) sub-basins in 2019, as outlined on the map provided.

Lukasiewicz asked how the amounts were divided up between the sub-basins. Naprstek reported that the numbers were based on available acre-feet and crop irrigation requirements.

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

Naprstek stated that once applications were received, there was a scoring/ranking system that would be used to determine which acres would be allowed in each area. Callan said that there would most likely be a minimum ranking number and people with questions about their site could call and visit with staff to determine, before submitting a full application, if their site may or may not be eligible for new irrigated acres development. He said that applications would not be accepted for areas within a wellhead protection area.

Gellermann asked about progress regarding the NRD's instream flow application to DNR. Callan reported that staff had not received any new information. He said the application was awaiting review by DNR.

PROGRAMS/PROJECTS COMMITTEE

City of Sargent – Water Concerns

Kruse reported that a representative from the City of Sargent had discussed with the Committee the flooding issues they were having in a large portion of their town due to flat areas with minimal drainage. Callan said that Brian Kolar, Projects Technician, was looking into a previous study that had been done in the late '90s and what options were suggested then.

Lillian Creek Dam Project Study

Kruse reported that the Committee had discussed conducting a seepage study to see if the dam was feasible and was recommending approval of completion of the study.

Naprstek said the quote received from HDR to conduct the study was for \$49,245. He informed the Board that this study would be a more accurate representation of the seepage rate due to the tests being conducted on site. Callan said the timeline for the study would be 6-10 weeks to completion.

Lukasiewicz asked if, in the original feasibility study, there were projections on groundwater mounding and barriers, and questioned what more the seepage study would reveal that the original study did not. Callan answered that there was a wide gap between the observed Sherman Reservoir seepage rate and the test hole information gathered by HDR. He said the seepage study would help identify where that number should be, which would help in determining the feasibility of the project.

Lukasiewicz felt that a better comparison could have been found, other than Sherman Reservoir. Callan responded that the consultants struggled to find one, as there was nowhere else in the basin to collect data.

Naprstek said that seepage data would be collected from three sites near the proposed dam site and three sites where the proposed reservoir would be. He said that would give HDR an average seepage analysis.

Citta said that the feasibility study provided information about seepability through the bottom and also out the sides and asked if the seepage study would do the same. Naprstek said the same information would be pursued.

Adams said the NRD would be digging the holes with the subcontractor on site and their fee would be \$15,000 for their onsite research to HDR and wondered how the fee ended up being \$49,000. Naprstek responded that HDR would take the numbers that the subcontractor came up with in the seepage study and enter them into the hydrologic model.

Kauk asked about the dimensions of the pits. Naprstek said the holes would be approximately 6' x 4' and 5' deep. He said a ring would be installed around the edge which would monitor the undisturbed soil. Adams mentioned that most of the soils in that area are sandy silt loam and that the percolation rate in that type of soil is high. He said that HDR had already given their report on feasibility and felt the additional seepage study was not necessary.

Clifford Hanna of Milburn said he was reasonably sure the structure would leak and felt another study wasn't needed. He said the lower portion of the area has a high water table and very good sub-irrigated alfalfa fields.

Amsberry said that the Calamus area is sandier than the Lillian Creek area and wondered how water is held at the Calamus. Callan said the dam had leak-prevention measures installed,

but not on the lake itself. Theede said there was a 3' wide bentonite curtain down the center line of the dam and inside the dam is a 600' soil-cement layer that was put on upstream to hold the leakage the would have gone underneath to help seal the dam. He said the soil for the Calamus dam was not soil from that valley but was brought in from a mile away.

Mohrman said he felt that more reliable seepage information could be gathered with the additional study and felt it should be done. Citta said it would give measured data, not estimated.

Citta questioned if the Board was debating the cost benefit of the project or the additional seepage study. He said if the data shows that the project is feasible, there would need to be a very detailed evaluation of the cost benefit, feasibility and pumping.

Kruse said that the Programs/Projects Committee wasn't recommending action on the entire Lillian Creek project, but rather the approval of a seepage study to gather more information.

Hadenfeldt questioned if there would be significant differences in the soil structure at the six sites where data would be collected. Naprstek answered that there were soils building up through the valley and that there is some alluvial discharge closer to the proposed dam site. Hadenfeldt indicated he thought it was all kind of expensive.

Petersen said that although he was skeptical of the project, he felt that the seepage study was essential to the project if it was to proceed.

Vlach said that the map showed random elevations and asked what the elevation was at the site where there will be digging. He mentioned 2440 and wondered if it was at the bottom of the facility or halfway up the side or where. He said it would make a big difference on what the data shows. Naprstek replied that 2440 was one of the thresholds for the lower end of the reservoir and as you move further down into the valley, it will be lower. Vlach mentioned 2467 and Naprstek said that was at the top of the hill. Vlach said it doesn't correlate to where the sites are going to be dug. Callan said that the black dots on the map were the borings that were done for the feasibility study, so there would have been more variability and elevation because there was still an undetermined size of the structure.

Podolak mentioned that at the Board Retreat, directors felt that water quality and quantity was a high priority for the NRD and said that it is important to thoroughly review projects that come along. He said he felt that the seepage portion of the Lillian Creek project was a critical portion, and if the NRD is considering ways to enhance water quantity and quality, it is important to have as much information as possible.

Nelson said he had heard that the project would return 2,500 acre-feet of water to the Middle Loup River.

Thoene said he didn't feel the seepage study would reveal any new information than is already known. He said he had done irrigation work in that area for 40 years and has see the water issues in that valley.

Lukasiewicz motioned, seconded by Boesch, to table the seepage study on Lillian Creek Dam.

Lukasiewicz said there were many opinions presented and that more discussion may be beneficial before making a decision.

Adams said that \$250,000 had already been spent on the feasibility study which indicated that the dam would leak. He said that all dams leak, but not all dams get their water pumped into them. He said it would be up to the NRD to keep water in the facility. Adams mentioned that if there was ever a call on the river from a municipality, how would the NRD keep levels in the dam where they need to be if there's no water to pump.

Podolak asked if the preliminary cost benefit analysis was positive. Callan answered that the cost benefit analysis for a 150- to 160-acre lake was beneficial depending on where the seepage was. He said if it was closer to Sherman Reservoir, then there is cost benefit; if it's at the bottom end, then there would not be cost benefit. He said the purpose of the seepage study to be to find out where that line is on the cost benefit ratio. Podolak said the NRD constituents know that the study had a positive cost benefit ratio, and he felt the Board was not wanting to validate and verify where on the cost benefit the project was.

Citta said the additional study would give measured data to determine what the seepage was, and if the seepage was bad, then the project may not move forward. He said if the study indicated that the seepage was closer to what Sherman's was, then a more detailed discussion would be warranted regarding the project. He said he felt the additional study would provide information that would be helpful in determining the purpose and direction of the project.

Lukasiewicz said he felt the seepage study should have been a part of the original feasibility study.

Bartak said the preliminary data showed that seepage rates between Sherman Lake and the Lillian Creek area aren't close and wondered if digging more holes and spending an additional \$50,000 would reveal more than is already known. He felt the Board was trying to say that the preliminary data was wrong.

Callan said the difference was that the soil was collected, taken back to the lab, compacted, and a seepage determination done. He said these tests would be done on undisturbed soil.

Mohrman said that more discussion was needed, but that more definite, concrete evidence was needed to make a good decision.

Motion failed by roll call vote, all present voting no.

Kruse motioned, seconded by Eschliman, to proceed with the seepage study on Lillian Creek Dam project for \$49,245.

Gellermann said that one of his purposes for serving on the NRD Board was to develop retention facilities to hold the water we have here and keep it from running down the river to the ocean. He said that holding the water here for recharge and other uses was important. He said that the Board must be diligent to find the right places, and without the seepage study, the Board couldn't make an informed decision.

Kauk said the cost for the study was high, but the funding was budgeted and the study needed to be done to have an informed vote.

Motion failed due to a tie on a roll call vote. Directors voting yes: Amsberry, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Mohrman, Podolak, and Vlach. Directors voting no: Adams, Anderson, Bartak, Bauer, Boesch, Lukasiewicz, Nelson, Petersen, Thede, and Thoene. Director absent: Smith.

Vlach suggested a second vote be held using paper ballots.

Vlach motioned to vote on the entire Lillian Creek Dam Project by paper ballot.

The motion died as there was already a motion on the floor.

Chairman Citta asked for another vote on the existing motion to proceed with the Lillian Creek Dam seepage study at a cost of \$49,245.

Motion failed by roll call vote. Directors voting yes: Amsberry, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Kruse, Mohrman, and Podolak. Members voting no: Adams, Anderson, Bartak, Bauer, Boesch, Lukasiewicz, Nelson, Petersen, Thede, Thoene, and Vlach. Director absent: Smith.

Headquarters Building Modification

Callan reported that he would be looking into repairs to fix a safety concern near the east entrance of the building. He said condensation from the HVAC equipment that was causing an ice issue, resulting in several falls last winter.

MANAGER'S REPORT

Interlocal City of Ord Community Development Agency

Callan presented the Board with a copy of an interlocal agreement with the City of Ord on the new aquatic center. He said it is a state requirement that the City have more than one organization involved in the project. He said that the NRD had previously obligated \$20,000 toward the project and no further monetary contribution is being requested.

Litigation Update

Chairman Citta requested that the litigation discussion be moved to the end of the meeting in Executive Session.

New Hires

None.

Non-action Reports

None.

NARD REPORT

Director's Report

Eschliman reported that the committee meeting was held the day before in Grand Island at Central Platte NRD to discuss the health and retirement plans. He said recommendations would be forwarded to the NARD Board in September. He encouraged Directors to attend the NARD Annual Conference the end of September. He said legislative recommendations could be submitted to the group as resolutions.

Legislation

No report.

NRC REPORT

Commissioner's Report

Hadenfeldt reported that the planning committee met the previous week. He reported that they were still trying to decide who needs permits and that the managers committee may be asked to help. Hadenfeldt stated that the Commission meeting would be August 15th and a two-day planning session August 28-29.

RC&D REPORTS

Loup Basin RC&D

No report.

ANNOUNCEMENTS/FUTURE MEETING TOPICS

No announcements made.

Kruse motioned, seconded by Adams, to enter executive session at 6:35 p.m. to discuss litigation. Motion carried by roll call vote, all present voting yes.

The Board entered Executive Session at 6:35 p.m.

The Board came out of Executive Session at 7:00 p.m.

ADJOURNMENT

With no further business before the Board, Citta declared the meeting adjourned at 7:00 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 23, 2018, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Henry J. Thoene
Secretary