

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

May 26, 2011

Ord, Nebraska

The May 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 May 26, 2011. Chairman Gary Kruse called the meeting to order at 5:02 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson, Secretary
Joseph L. Citta, Jr., Vice Chairman
Craig E. Frenzen
Michael P. Gutzmer
Thomas Knutson
James C. Nelson
Dean J. Rasmussen
Gerald P. Smith

Rollie D. Amsberry, Treasurer
Timothy E. Bartak
James J. Eschliman
Virgil W. Gellermann
N. Richard Hadenfeldt
Gary A. Kruse, Chairman
Alan D. Petersen
Darwin R. Sieh

Director absent

Lyle D. Rasmussen
Henry J. Thoene

Bradley R. Staab
Kim Walden

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Cheryl Hornickel, Programs Assistant
Tylr Naprstek, Water Modeling Coord.
Richard Woollen, North Cent. Dist. Forester

Russell Callan, Assistant Manager
Robert T. Mohler, District Engineer
Larry D. Schultz, I&E Coordinator

Guests in attendance

Bryce Bauer, LDC, NRCS, Ord
Al Schmidt, MLPP&ID, Arcadia

Eugene Bredthauer, Ord
Tim Krause, Mason City

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. The meeting notice was also posted at the NRD Headquarters office in Ord, the NRD web site, and the eight field office locations.

Knutson motioned, seconded by Anderson, 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 April 28, 2011, Board meeting minutes. None being heard, Kruse ruled that the April 28, 2011, Board meeting minutes would 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 told the Board that a payment of \$18,102.85 was made to In-Situ, Inc. for poly cable and data loggers in Custer County for the ELM Study. He said that a payment of \$5,337.34 was made to Olsson Associates for work on the Area 28 Groundwater Study.

D. Rasmussen motioned, seconded by Citta, to approve the May, 2011, Treasurer's Report and pay all the bills. Motion carried by roll call vote, all present voting yes.

PUBLIC COMMENTS

There were no public comments.

FORESTER'S REPORT

Koehlmoos said that North Central District Forester Rich Woollen of the Nebraska Forest Service was delayed and would arrive later in the meeting. Koehlmoos referred the Board to Woollen's written report included in the agenda. Koehlmoos said that tree planting was near 99

percent completion and tree coolers were being shut down. Koehlmoos said that Woollen would have a complete report at the next meeting.

NRCS REPORT

District Conservationist Bryce Bauer reported that HEL compliance was being checked around the NRD and was about 15% complete. He said that 29 CSP contracts had been approved and those contracts totaled about \$700,000 annually over five years, down slightly from previous years. Bauer said the local EQIP group met earlier in the week and only a few changes were made. This year, applications were allowed to be categorized at high, medium and low priorities. He said examples of high priorities in rangeland or pasture land included applications for stocking levels using UNL recommendations or applications that showed reductions to those levels. He said medium priorities would be funded only if there were dollars available after the high priority applications were funded. Examples of medium priority levels would be “brush management only” applications, and low priority levels would be applications classified as “overstocked” using UNL recommendations.

Koehlmoos asked if priority areas remained the same and Bauer said they did. He said high priority was given to water management practices such as conversion from gravity to low pressure pivot irrigation or installation of filter strips. Medium priority would be pivot only applications with no wildlife component. He said there weren't many water conservation applications and there were no priorities set for cropland.

Koehlmoos asked if HEL compliance checks yielded any violations and Bauer said that 4 out of 10 checks showed non-compliance in Boone County and 3 out of 5 were found to be non-compliant in Greeley County. Bauer said that one landowner of a half-section field said that he needed to replant, but Bauer told him he would be out of compliance even with a replant. Bauer said the landowner then notified the FSA office that he was withdrawing from the farm program. Sieh asked what the penalty was for non-compliance and Bauer said it was a monetary penalty based on the amount of erosion. The penalty would not exceed the farm payment. Bauer said 19 landowners had been reported as non-compliant by a whistle-blower neighbor. Eschliman asked how the non-compliance would be handled when payments were eliminated and Bauer answered that compliance could be tied to crop insurance premium payments or crop insurance eligibility.

Adams asked if FSA had any applications in Custer County for ECP payments for dams and other structures and Bauer said that all applications had been reviewed and funds might still be available. Adams asked if it could be combined with NSWCP funds and Koehlmoos said it could not; maximum cost-share would still be 50%. Bauer said that ECP funds can be used only to return a structure to pre-storm levels.

Callan said that forms had been completed for FSA and NRCS consultation in the transfer of irrigated acres. Koehlmoos asked if compliance checks were showing 40 to 50% non-compliance in all counties or just the previously mentioned counties and Bauer said only Boone, Greeley and Nance Counties would be that high.

ENGINEERING REPORT

Request from Middle Loup Public Power & Irrigation District

Mohler reminded the Board of information received at the April meeting regarding the request for funds from the Middle Loup Public Power & Irrigation District to rebuild a dam structure destroyed in June, 2010, flooding. Mohler said it was staff's recommendation that NRD financial participation in the reconstruction be at 10% of the local share of the project. He said that financial participation could come in one year or be spread out over multiple years. He introduced Al Schmidt of the Middle Loup Public Power and Irrigation District. Mohler said that some Directors and staff toured the reconstruction project the previous day. The contractor has established two rows of sheet piling across the channel and sand has been placed between the pilings. He said de-watering will allow foundation work to begin at the site. He said that high flows in the river have slowed the progress.

Kruse asked when the project would be completed and Schmidt said the project should be complete by September 15th and wrapped up on October 15th. Schmidt said he wasn't sure whether FEMA funding would be forthcoming. FEMA's Environmental Division was working toward approval, but U.S. Fish and Wildlife was still seeking offset for the diverted water. Koehlmoos said that FEMA funding would require positive consultation with U.S. Fish and Wildlife.

Citta motioned, seconded by Gellermann, to approve the staff recommendation for the Lower Loup NRD's financial participation in the Middle Loup Public Power and Irrigation District's dam project to cover 10% of the local share of the dam replacement near Taylor, not to exceed \$253,200. Motion carried by roll call vote, all present voting yes.

INFORMATION AND EDUCATION REPORT

State Envirothon

Information & Education Coordinator Larry Schultz told the Board that the Ord High School team had tied for second place with a team from West Holt High School at the State Envirothon contest held May 7th at Scottsbluff. Ord won a tie-breaker based on the top score in the special topic division. Ord also had the top score in the Range Division. Schultz served as a team guide at the contest. A team from Superior High School was the overall winner and will represent Nebraska at the Canon Envirothon in New Brunswick, Canada.

Children's Groundwater Festival

Schultz told the Board he demonstrated the water cycle in the "Water Drop Relay" to 276 students in eight sessions. He said that the program was conducted in the Fonner Room at College Park in Grand Island.

Schultz said that he had worked on the *Water Matters* newsletter with Mike Lorenz. Callan said that *Water Matters* had been sent to residents of Area 28 and Area 18.

ASSISTANT MANAGER'S REPORT

Variance Committee

Assistant Manager Russ Callan said the Variance Committee had met earlier in the day and referred the Board to the minutes included in the supplemental agenda. The Committee heard a request from Bruce Petska to certify acres that did not meet the NRD rule of irrigation in two of ten years. The Committee agreed to recommend approval of the Petska request with the caveats that irrigation could not be transferred off the property and that only grass could be irrigated. Hadenfeldt asked if the stipulations applied only to Petska's ownership and Koehlmoos said a copy of the contract between Petska and the District would be attached to the deed.

Nelson motioned, seconded by Adams, to approve the Bruce Petska variance request to allow certification of 261 acres in Section 12, Township 25 North, Range 18 West and 164.9 acres in Section 13, Township 25 North, Range 18 West with the requirement that the certified acres could not be transferred from the properties and that the properties would remain as irrigated grass. Motion carried by roll call vote, all present voting yes.

Nelson said that the Committee recommended denial of a request from Corey Hughes. Nelson said the well was 30 years old and only recently registered. There was no irrigated acres history and granting the request would create new irrigated acres.

Nelson motioned, seconded by Adams, to deny the Corey Hughes variance request. Motion carried by roll call vote, all present voting yes.

Koehlmoos commended the Committee on the difficult decisions they faced as each request provides new circumstances and emotional pleas.

Nelson said that a decision from the Nebraska Department of Natural Resources regarding the surface water right on the State Bank of Cairo-Pathway Bank request was still pending. Callan said the DNR field investigation was complete and staff was awaiting a decision from DNR's Director.

Groundwater Management Area Activities

Irrigated Acres Certification Progress

There was no report.

Callan told the Board that staff had met with Kent Zimmerman of DNR regarding the Integrated Water Management Fund. Callan said the fund had been cut by half which will affect the ELM Study funding. He and Naprstek would meet with USGS staff the following day to discuss how to proceed with reduced funds. Callan said that Zimmerman was meeting with each of the Fund's users to determine where each project currently stood.

ELM Update

Water Modeling Coordinator Tylr Naprstek told the Board that field work continues with time delay electromagnetic studies to determine the base of the aquifer. He said that he is working with the other NRDs to line up locations and scheduling for sampling. Work is being done in the Upper Elkhorn, Lower Elkhorn, and Lower Platte North NRDs. Seven sites were completed in the Lower Elkhorn and one completed in Lower Platte North. Work was currently being done in Upper Elkhorn with work in Lower Loup set for the coming weekend. He said that 4 sites in Howard County and 3 sites in Nance County were on the schedule. An ELM Technical Group meeting was scheduled for the 15th to discuss funding options. Naprstek said that test holes in Custer County had been contracted with a Kearney well driller and other work on the project depended on funding.

Sieh asked how much the work on test holes would cost and Callan said the contract was for \$30,000. Knutson asked how much the state budget cuts had cost the ELM Project and Callan said it appeared about \$180,000 would be eliminated in a 50% cut. Callan said that consideration was going to be given to what work could be completed with the available funding. Citta said he would like to know what the cost would be to the NRD to complete the project as planned. Frenzen asked if the ELM Group would split the remaining costs, if needed, and Koehlmoos said the group would have to discuss that possibility as well as the potential for future state funding and other issues. Koehlmoos said funds might be released from other projects that could increase the funds available to the ELM Project. Frenzen asked if a vote of support for the ELM Project was needed and Koehlmoos said that he needed to complete budget work first. Callan said the ELM partners are aware of Lower Loup's commitment to the project. Callan said that the two NRC Commissioners can also share the LLNRD's commitment to ELM. Citta asked if a letter of support for the project to the NRC would help and Hadenfeldt said that the state budget has already been set by the Legislature, so a letter would not have an impact.

MANAGER'S REPORT

Resolution with Howard County

Koehlmoos told the Board that Howard County had always required the NRD to submit a warrant in order to receive funds. He said that the County had agreed to accept a resolution to end the need for the warrants.

Knutson moved, seconded by Anderson, to approve a resolution directing the Howard County Treasurer to mail all funds collected on behalf of the NRD to the District by the 15th of the month. Motion carried by roll call vote, all present voting yes.

New Hires

Koehlmoos said that part-time summer help had been hired. Ryan Callan and Nolan Clausen would return for another summer. Jason Moudry had been hired as Wellhead Protection Coordinator and Water Resources Specialist.

Bartak asked if the Custer County TSP position funding had been resolved and Koehlmoos said it was when the continuing resolution was passed by Congress. Koehlmoos said the Burwell TSP position was open, but he was not planning to hire as long as federal funding was in question.

NARD REPORT

Director's Report

D. Rasmussen said the NARD Board would meet in Alliance on June 13th. He noted that the Legislature had adjourned three days early. Koehlmoos said that a number of bills affecting natural resources had passed, including LB400 which allows additional revenue in basins that are fully- and over-appropriated. He said that state aid to NRDs had been eliminated, but NSWCP funds were intact.

Citta asked if there were any interim studies to monitor and Koehlmoos said that LR314 would examine possible sources of revenue that could be used to establish a dedicated funding source for water management activities in Nebraska.

NRC REPORT

Hadenfeldt said that the Commission would meet in June in Sidney.

RC&D REPORTS

Loup Basin RC&D

D. Rasmussen told the Board that the RC&D met in St. Paul on the 17th. He said that all four officers attended along with representatives from a number of communities. A representative from the Pawnee Arts Center in Dannebrog provided a presentation. Questions remain as to who owned what furniture in the office. He reported that federal funding for the rent would run through July and the Fair Board had agreed to reduce rent to \$300 a month.

PrairieLand RC&D

Gellermann reported that the RC&D had met in Albion on the 17th and the group toured the addition to the Boone County Hospital. They also toured some Native American sites near Albion. He said that the group discussed its future operation and the office has now moved to a bank in Madison and was not being charged for rent. Due to funding from grants, the RC&D could operate for a couple of years. Grants for tire recycling and the Shell Creek Water Project would require administration for additional years.

Koehlmoos asked where Mittan had been placed and Gellermann said Mittan was working in Norfolk.

ANNOUNCEMENTS

There were no announcements.

Knutson asked when the redistricting was required to be completed and Mohler said it must be submitted six months prior to the primary election.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 6:17 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 newspaper in each county within the District. The next Board of Directors meeting will be held Thursday, June 23, 2011, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary