

# LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

July 28, 2011

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 28, 2011. Chairman Gary Kruse called the meeting to order at 5:04 p.m.

## CALL TO ORDER

### Directors in attendance

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

Timothy E. Bartak  
Craig E. Frenzen  
Michael P. Gutzmer  
Thomas Knutson  
James C. Nelson  
Dean J. Rasmussen  
Gerald P. Smith  
Kim Walden

### Directors absent

James C. Adams  
Joseph L. Citta, Jr., Vice Chairman  
Henry J. Thoene

Darwin B. Anderson, Secretary  
Lyle D. Rasmussen

### Staff in attendance

Leon "Butch" Koehlmoos, General Manager  
Cheryl K. Hornickel, Programs Assistant  
Tylr Naprstek, Water Modeling Coordinator

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

### Guests in attendance

Bryce Bauer, DC, NRCS, Ord

Matt Lukasiewicz, Farwell Irrigation District

## 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.

**Eschliman motioned, seconded by Knutson, 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 June 23, 2011, Board meeting minutes. None being heard, Kruse ruled that the June 23, 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 Administrative Secretary Rita Goldfish had taken extended sick leave because she required some surgery. He said that she had completed year-end book work and that Jane Klanicky, Cheryl Hornickel and Kristy Stevens had assumed the bookkeeping work after some very brief training. He said that there were some duplication of invoices on the Treasurer’s Report, but it will be cleaned up before checks are written.

Koehlmoos reported that the charges for the last District newsletter were included in the bills. He also directed the Board to a bill from Capital Business Systems for a copier to replace the NRD’s older black and white copy machine. He said that some new laptop computers were also purchased.

Koehlmoos told the Board that Goldfish’s surgery went well and her recovery was underway.

**D. Rasmussen motioned, seconded by Smith, to approve the July, 2011, Treasurer’s Report and pay all bills minus any duplicate charges. Motion carried by roll call vote, all present voting yes.**

## PUBLIC COMMENTS

Knutson introduced Matt Lukasiewicz, the Assistant General Manager at the Loup Basin Reclamation District.

## FORESTER'S REPORT

Koehlmoos said that North Central District Forester Rich Woollen of the Nebraska Forest Service was attending a conference in Washington, D.C. He referred the Board to Woollen's report in the agenda. Koehlmoos said that over 123,000 conservation trees were sold in 2011. He said that the buffer strip program and CRP were partially responsible for a rebound in sales.

## NRCS REPORT

District Conservationist Bryce Bauer reported that HEL compliance checks had been completed and 28 producers were found out of compliance. He said 7 of those were in Boone County, 9 in Howard County, and the rest spread throughout the District. He said there were several whistleblower reports. Koehlmoos asked what the penalty would be and Bauer said the landowner could request a variance and another HEL check would be conducted the following year. Bauer said the fine could be up to the total payment received by the farmer.

Bauer said that \$168,000 in EQIP funds had been received as part of the Ogallala Initiative and would be used for conversion from gravity irrigation to pivot. One of the payments in Custer County was to convert from irrigated crops to grass. He said that \$150,000 had been received to fund an additional contract in Garfield County.

Bauer said a program meeting had been held in Ord and others were scheduled to provide additional information on NRCS programs. He reported Nebraska had been split into three districts which caused some realignment of offices in the state. He said the closures of RC&Ds meant additional staff for NRCS offices. Former Loup Basin RC&D Coordinator Sheila Luoma was handling promotional activities for the NRCS.

Frenzen asked if additional funds would be coming through EQIP and Bauer said that it was a possibility through September. Koehlmoos asked if any information about the next budget was available and Bauer said there were rumors that 15% cuts might be required. A number of NRCS staff were nearing retirement and any reduction in force would be handled through that manner.

## ENGINEERING REPORT

### Subdistrict Realignment

District Engineer Robert Mohler provided the Board with information on the realignment of subdistrict boundaries required following the 2010 census. He said that population declines in some locations and increases in others would shift subdistrict boundaries. The Nebraska Department of Natural Resources provides new subdistrict boundaries for each NRD. He said the city of Columbus was establishing new voting wards, and there was also a new city limit line for Columbus. The Columbus City Council was expected to take action soon on both items. Nebraska law requires the Board to divide into subdistricts of substantially equal populations. Subdistricts should be as close to "one to one" in population as possible.

Knutson asked what latitude the Board had to manipulate the number of Directors in the NRD and Koehlmoos said that it could be done as long as there were at least seven. Koehlmoos said that some NRDs, like the Middle Republican, elect without subdistricts. Knutson asked if the NRD could, as an example, go to nine subdistricts with three at-large and Koehlmoos said he did not believe it was possible. Koehlmoos said that Mohler attempts to keep all subdistricts along political boundaries and not by keeping each Director in the subdistrict that elected them. Koehlmoos asked when the new subdistricts have to be drawn and Mohler said the deadline was six months prior to the next election, which will be held in May, 2012.

### Corps of Engineers Permits

Mohler referred the Board to a list of landowners for whom he has prepared permit applications to the Corps of Engineers. Mohler said that it was up to the landowner to submit and follow up on the applications. He said the number of requests for this assistance has dropped off over the years.

## INFORMATION AND EDUCATION REPORT

### Quarterly I&E Meeting

Information & Education Coordinator Larry Schultz told the Board that the I&E group recently met in McCook. The group reviewed the "Know Your NRD" fact sheets and he presented the sheets to the Board. Work on the Loup Basin sheet was nearly complete. He said the group discussed several topics, including Husker Harvest Days. Schultz reminded the Directors that if they wished to sign up to work in the NRD booth, they should contact him. Kruse asked for the dates of Husker Harvest Days and Koehlmoos said it would be held September 13-15, 2011. Schultz said the NRDs would also host a booth at the Nebraska State Fair in Grand Island.

### 2011-2012 Educational Events

Schultz told the Board that the Lower Loup NRD would host the Area IV Range Judging Contest in Howard County on September 20<sup>th</sup>, the North Central Land Judging Contest in eastern Custer County on October 13<sup>th</sup>, and the North Central Envirothon Contest March 6, 2012, at Central Community College-Platte Campus in Columbus.

### "In The Loup" Newsletter

Schultz reported that 17,000 copies of a new issue of the LLNRD newsletter, "In The Loup," had been sent out to constituents across the District.

Schultz passed to the Board a dedication plaque for the recent building addition. Koehlmoos said that the plaque recognizes the NRD Board who approved the addition and those who joined the Board during construction.

## ASSISTANT MANAGER'S REPORT

### Groundwater Management Area Activities

#### Area 18 Activities

Assistant General Manager Russell Callan said that sites have been selected for vadose zone sampling in Area 18. The vadose zone is the area from the aquifer to the earth's surface. Soil samples will be taken in the vadose zone to determine the levels of nitrogen residue in both cropland and pasture.

Callan said that he and Jason Moudry met with Bill Swanson, the water operator in Genoa. He said that Genoa would be the first community to be located in a water concern area. Moudry met with representatives in St. Edward to discuss the same situation.

#### Area 28 Activities

Callan said that water sampling was underway and approximately 800 samples had been taken.

### ELM Update

Callan told the Board that the ELM group had received their FY-2012 funding allotment from DNR and it totaled \$191,132, just over half the sum originally proposed.

## FY-2012 BUDGET WORK SESSION #2

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

Callan presented the budget information for Special Projects - \$592,000. Because of state budget cuts affecting the ELM Study, the amount budgeted for special projects was increased by \$70,000 to offset some of the cuts in state funding. He said that \$30,000 had been budgeted for work to investigate water quantity issues on the South Loup River.

Knutson asked how much funding was required to complete the ELM Study and Callan said that \$190,000 was cut from state funding for the coming fiscal year.

Callan said that \$80,000 had been budgeted for the Area 28 Comprehensive Study. Gutzmer asked about the \$5,000 budgeted for water samples for pesticides and organics. Callan said that no sampling had been done in the past year. Gutzmer said he was interested in the results from such sampling in Area 28.

Callan said that the budget recommended for Special Projects was \$592,000 and the Water Quality Fund was \$100,000.

Gellermann said he felt it was time to discontinue the Gates and Gaskets program and the Drip Oiler program. Koehlmoos said that the program might not be as effective these days as applicants

wait to replace the gates, gaskets, and drip oilers until cost-share is approved, so leaky gates and gaskets and poorly functioning drip oilers remain in place.

**Sieh motioned, seconded by Knutson to eliminate the Lower Loup Natural Resources District's Gates and Gaskets and Drip Oiler cost-share programs. Motion carried by roll call vote, all present voting yes.**

Callan said that the budget for Grant Funds was set at \$222,377. Those funds represent the monies received from DNR and the six other NRDs participating in the study.

Koehlmoos said that the budget for Water Well Decommissioning Fund was \$55,000. He suggested that the Board might wish to consider making 100% cost-share for well decommissioning available to communities with wellhead protection plans in the District. He said that the city could identify the wells, bid the jobs to a contractor, and receive reimbursement from the NRD. Smith suggested that the \$20,000 now available with the elimination of the gates and gaskets program be utilized for the cost-share.

**Gellermann motioned, seconded by Hadenfeldt, to approve 100 percent cost-share for well decommissioning in communities with wellhead protection plans. Motion carried by roll call vote, all present voting yes.**

Koehlmoos presented information on the budget for Land Treatment - \$173,700. Mohler presented information on the budget for Project Construction - \$1,620,000; and for Assessment Projects - \$10,000. Mohler said that a Duncan East assessment of \$9,000 would be needed in 2012 and it would cover two years.

**Frenzen motioned, seconded by Knutson, to approve a \$9,000 maintenance assessment for the Duncan East project. Motion carried by roll call vote. Directors voting yes: Amsberry, Bartak, Eschliman, Frenzen, Gellermann, Hadenfeldt, Knutson, Kruse, Nelson, Petersen, D. Rasmussen, Sieh, Smith, Staab, and Walden. Director not present for vote: Gutzmer. Directors absent: Adams, Anderson, Citta, L. Rasmussen, and Thoene.**

Mohler presented information on the budget for the FEMA Hazard Mitigation Plan - \$70,000. He said that no funds were expended in this fiscal year due to a delay in the review of the plan by FEMA.

Koehlmoos presented the budget information for Stock and Stock Purchases - \$80,514.67; Machinery & Equipment - \$58,000; Community Forestry Program - \$30,000; Prescribed Burn Program - \$30,000; and Capital Improvements - \$184,000.

**Walden motioned, seconded by Frenzen, to give tentative approval to the second half of the FY-2012 Budget. Motion carried by roll call vote, all present voting yes.**

Koehlmoos said that the budget hearing would be part of the August meeting. At that time, the counties should have supplied valuations and final numbers on taxes required and the required levy will be in place.

## MANAGER'S REPORT

### Central Platte Lawsuit Effects

Koehlmoos told the Board that Central Platte NRD was being sued by a landowner who sought irrigation in the District. Koehlmoos said the suit challenges the NRD's authority to regulate groundwater. He said that the lawsuit puts Central Platte NRD in the situation of representing the interests of all NRDs ability to regulate. He said that there might be a request for financial assistance from Central Platte NRD to the Lower Loup NRD and the other Districts.

### Supreme Court Decision on the Niobrara River

Koehlmoos told the Board that the Nebraska Supreme Court reversed the fully appropriated designation for a large portion of the Niobrara River. There wasn't likely to be an impact on the Loup River Basin. This is the second reversal of a DNR fully appropriated designation. He said that there might be a need to revise the methodology used to determine the appropriation status.

Sieh asked how the decisions are reversed and Koehlmoos said that the NRDs have been able to show that the best science wasn't utilized and the decision was not transparent.

### New Hires

Koehlmoos said that an ad had been placed in area newspapers seeking a bookkeeper. The position would be for a person to do work in addition to the work being done by Goldfish. He said he wanted Goldfish to be involved in the selection of applicants to be interviewed, so the hiring would be postponed until she returned.

## NARD REPORT

### Director's Report

D. Rasmussen said the NARD Board had not met and he referred the Board to the report included in the agenda.

### Fall Conference and Golf Tournament

Koehlmoos urged Directors interested in attending the conference and golf tournament to contact him or Schultz.

### Resolutions for NARD Fall Conference

Koehlmoos told the Board that the deadline for resolutions to be presented at the NARD Fall Conference would be prior to the September Board meeting. There were no suggested resolutions.

## NRC REPORT

Hadenfeldt and Knutson said that the Commission would meet in September.

## RC&D REPORTS

### Loup Basin RC&D

D. Rasmussen told the Board that the RC&D met on the 15th. The RC&D signed a one year lease for the office with the Loup Valley Ag Society. The next meeting would be in Dannebrog.

### PrairieLand RC&D

Gellermann reported that the RC&D had met in Leigh and he was unable to attend. He believed that the RC&D would likely end operation by the end of the year. He said that a retirement open house was scheduled for former RC&D Coordinator Al Mittan in August.

There was a brief discussion of the dumping of sand into the Platte River to create sandbars for wildlife.

## ANNOUNCEMENTS

There were no announcements.

## ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:10 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, August 25, 2011, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

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Darwin B. Anderson  
Secretary