

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

June 28, 2012

Ord, Nebraska

The June 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 June 28, 2012. Chairman 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
N. Richard Hadenfeldt
Gary A. Kruse, Chairman
Alan D. Petersen
Gerald P. Smith
Henry J. Thoene

Rollie D. Amsberry, Treasurer
Tim Bartak
James J. Eschliman
Virgil W. Gellermann
Thomas Knutson
James C. Nelson
Dean J. Rasmussen
Bradley R. Staab
Kim Walden

Directors absent

Michael P. Gutzmer

Darwin R. Sieh

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Dell Harris, Water Resources Specialist
Robert T. Mohler, District Engineer
Richard Woollen, N.C. District Forester
Dan Ray, Conservation Technician, Greeley

Russell Callan, Assistant Manager
Rita Goldfish, Administrative Assistant
Larry D. Schultz, I&E Coordinator
Irene Kreifels, Financial Secretary

Guests in attendance

Craig Critel, NLRPP&ID, Ord
Eugene Bredthauer, Ord
Larry Koelling, Ord

Bryce Bauer, DC, NRCS, Ord
Charlie Krohn, Albion
Joe Wadas, Ord

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. Koehlmoos told the Board that item 13D, “NRCS Cooperative Agreement for TSP Assistance,” had been added to the agenda, prior to the 24 hours notice required by law.

Knutson motioned, seconded by Eschliman, to approve the verification of the meeting notice, adopt the modified 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 May 24, 2012, Board meeting minutes and none were heard. Kruse ruled that the May 24, 2012, 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 said that bills for Davis Creek Maintenance were for concrete work completed by staff at the recreation area. A new flatbed trailer was purchased to carry the skid steer to various job sites. He said the previous trailer was not designed to handle the weight, but could be sold for a good price. A bill from Olsson Associates for \$8,956 was for the Area 18 project and much of it would be paid for with grant funding.

Thoene motioned, seconded by Knutson, to approve the June, 2012, Treasurer’s Report and pay all bills. Motion carried by roll call vote, all present voting yes.

PUBLIC COMMENTS

Eugene Bredthauer of Ord told the Board that he continues to pursue assistance for replacement of his dam on Mira Creek. He said that the Corps of Engineers has given verbal approval to pursue the dam’s replacement and state permits would need to be received. Larry Koelling said that he utilized the Bredthauer dam to access his property. He said that two culverts had been installed, although one had washed out. Koelling asked if there was any NRD funding available for the replacement of the dam. He said that there is a substantial flow of water through the area. The dam provided valuable water flow controls. Dean Rasmussen said that the village of North Loup is in favor of the project, but is unwilling to provide assistance. Kruse asked if there were any cost estimates available for the

project and Bredthauer said there were not. Nelson asked if there were continuous flows in the creek and Harris said it was a spring-fed creek, with flows increasing since the Twin Loups irrigation canals were put in place.

FORESTER'S REPORT

North Central District Forester Richard Woollen told the Board that the Nebraska Forest Service held a workshop as part of its summer staff meeting at Curtis. He said that demonstration of the wood chip heating system at the college showed it was similar to one at Chadron State College. There were equipment demonstrations as well.

Woollen said that mountain pine beetle has not had a big impact in Nebraska. He said that more damage is being done to pine trees in Nebraska by the ips beetle and the red turpentine beetle.

He provided the Board with a power point presentation on the insect damage in pine trees and various forest fires.

Woollen passed around three new agroforestry publications in the "working tree" series. He said a library of this and similar publications were available through the NRD.

Adams said that South Dakota is using prison inmates to cull beetle damaged pines from their forests.

NRCS REPORT

District Conservationist Bryce Bauer said the local work group would meet to discuss EQIP on Monday. Nebraska continues to receive unused EQIP funds from other states and it is allowing additional contracts to be fulfilled. He said an additional \$450,000 was made available for the Lower Loup NRD.

Bauer said that compliance checks have been completed with 15 landowners found out of compliance across the NRD. He said that ten variances were granted for waterways and other situations. While doing compliance checks, NRCS found much more no-till farming in the District.

NRCS COOPERATIVE AGREEMENT FOR TSP ASSISTANCE

Koehlmoos asked that this item be brought forward in the agenda while Bauer was before the Board. He told the Board that he had been contacted by the NRCS to discuss the potential for a new agreement for technical service providers. Bauer said the agreement expires on August 31, 2012. Koehlmoos said that Bauer had contacted him with the new paperwork for the agreement, but Bauer said the terms had changed. Koehlmoos reported that the original TSP agreement was 100% NRCS reimbursement of costs, then went to 80/20, and now there was a proposal for 50/50 sharing of the employee wages, benefits, etc. Koehlmoos said that the NRD had provided unemployment insurance, separation expenses, workmen's compensation and had other expenses related to the expenses. He said that the NRD had reserved some funds initially should the agreement cease to provide for the employees, but with the NRD's increasing share of the expense, that funding had declined.

Koehlmoos said that John Ortmann was the NRD's only TSP, as the range TSPs had been discontinued during the federal budget crisis.

Adams said that the NRD should continue with the 80/20 split and offer that as the NRD's counter-proposal. Bauer suggested that the NRD offer the 75/25 split, which could be authorized by the State Conservationist. Bauer said that each job completed by Ortmann is given a dollar value for audit purposes.

Adams motioned, seconded by Smith, to authorize the General Manager to propose the NRCS cooperative agreement for TSP assistance at an 80% NRCS/20% NRD split on costs. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry Anderson, Bartak, Citta, Eschliman, Frenzen, Gellermann, Hadenfeldt, Knutson, Kruse, Nelson, Petersen, Rasmussen, Smith, Staab and Thoene. Director voting no: Walden. Directors absent: Gutzmer and Sieh.

ENGINEERING REPORT

FEMA Hazard Mitigation Plan

District Engineer Robert Mohler told the Board that the final draft of the Lower Loup NRD's Hazard Mitigation Plan had been received and a copy had been forwarded to the Nebraska Emergency Management Agency. He said that NEMA would forward the plan to FEMA, and once the various participating entities had approved the plan, the project would be finalized.

Koehlmoos asked when the final approval could be expected and Mohler said he estimated about a month.

North Loup River Public Power & Irrigation District – Hardenbrook Diversion

Mohler told the Board that bids had been submitted for the Hardenbrook Diversion Dam project and the bid came in at \$3.4 million. Craig Critel, manager of the NLRPP&ID, told the Board that his Board approved the low bid. He said that the other bids were \$4.8 million and \$4.9 million. He said it was the same contractor who did the work on the Taylor Dam and had previously worked on the dam at Burwell. Koehlmoos said that the NRD had discussed providing 10 percent of the local share of the costs, which would be \$53,394.

Amsberry asked if the irrigation district had mapped its acres and Critel said it looked like a map transfer would happen the following year. Koehlmoos suggested that the completion of the map transfer should be part of the requirement for funding.

Citta motioned, seconded by Frenzen, to approve the Lower Loup NRD financial participation in the Hardenbrook Diversion Project at ten percent of the local cost, not to exceed \$53,394; and to require completion of the NLRPP&ID map transfer before payment is made. Motion carried by roll call vote, all present voting yes.

Hardenbrook Diversion Pedestrian Walkway

Mohler told the Board that the Nebraska Game and Parks Commission had been contacted regarding possible funding for the pedestrian walkway at the Hardenbrook Diversion dam and he said that funding was made available for such projects, but the commission had already obligated about five years worth of projects. Koehlmoos said that the city of Ord had been contacted regarding the project and had not come up with funding. He said that Valley County Economic Development was also a potential partner. The irrigation district would need an immediate decision in order to proceed with the project. He said that there was a likely 50 year life span for the renovated dam, spreading the \$31,460 over a long span of years.

Tohne motioned, seconded by Smith, to provide funding of \$31,460 for a pedestrian walkway for the Hardenbrook Diversion Dam and to pursue additional funding partners. Motion carried by roll call vote, all present voting yes.

Lake Ericson Repair

Mohler reminded the Board that financial assistance for Lake Ericson repairs at 10 percent of the total costs, not to exceed \$37,422, had been approved at the last NRD Board meeting. He said that following the meeting, another funding option had been discussed. Smith said that he felt the history of cooperation on projects in the lake area warranted an increase in the NRD's financial participation and suggested the Board consider providing \$50,000. He said that in light of damage caused by a 100 year flood, he felt extra participation was warranted. He said that preserving Lake Ericson was important historically, for recreation, and for flood control. Citta said that he felt that there were additional options under the project participation policy to increase the NRD's financial participation. Smith said a number of improvements were part of the reconstruction.

Joe Wadas, president of the Ericson Lake Corporation, told the Board that bottom ash would be placed to firm up the dam base, fly ash was used to firm up the clay core and ash was added to the top surface of the dam. He said rock was purchased for the bottom of the spillway.

Hadenfeldt motioned, seconded by Knutson, to approve an additional five percent financial participation in the Lake Ericson repairs. Motion carried by roll call vote, all present voting yes.

INFORMATION AND EDUCATION REPORT

Adventure Camp about the Environment (ACE)

Information/Education Coordinator Larry Schultz told the Board that the Adventure Camp about the Environment (ACE) was held June 17-20 at the State 4-H Camp at Halsey. He said that 30 students participated, including 2 from the Lower Loup NRD. The students did activities in wildlife, range, water quality, soils and forestry, as well as camp activities like the zip line, archery, and a water slide. Two students from the Lower Loup NRD received \$100 scholarships, paying for more than half the cost of the camp.

Schultz said that there were 14 students from the NRD that took part in the Range Youth Camp. They each received \$100 scholarships.

Schultz said that the LLNRD would have displays at county fairs across the District. The first in Boone County would begin the coming weekend.

Schultz said that the photo used on the meeting agenda cover was taken by a neighbor of Nelson, and was of an eaglet in a nest near the Nelson home. Nelson said that this was the third year for three eagles to be hatched from the same pair of birds.

Schultz said that the NARD Educator of the Year award would be presented to Kevin Wetovick of Fullerton at the NARD Annual Conference in Kearney.

ASSISTANT MANAGER'S REPORT

Groundwater Management Area Activities

Area 28 Activities

Assistant Manager Russell Callan told the Board that water samples from irrigation and domestic wells were being taken in the area by NRD summer employees. He said that about 500 wells were sampled.

ELM Update

Callan said that there had been a couple of ELM meetings, including the technical group in Norfolk on May 30th. The final data needed was discussed and that data will be provided. The data required included the number of acres being irrigated. He said that the model will now include two layers. The budget was discussed with Steve Petersen.

Adams said he attended a meeting with NRD staff and County Assessor employees and complimented staff on the relationship that had been built.

LOWER LOUP NRD MASTER PLAN

Koehlmoos told the Board that a copy of the draft plan had been included with the agenda. Callan said that the plan had been updated by staff. The master plan was more of an overview of the NRD, while the long-range implementation plan was more of a list of tasks and goals. Callan said that the data culled from the retreat and the Board's list of priorities had been included in the long range plan. He provided the Board with a video presentation of the plans.

Frenzen motioned, seconded by Anderson, to approve the Lower Loup Natural Resources District Master Plan and forward it to the Nebraska Department of Natural Resources. Motion carried by roll call vote, all present voting yes.

FY-2013 BUDGET WORK

Koehlmoos directed the Board to the budget information included in the agenda. He said the Executive Committee had met for salary negotiations on June 6th, discussing employee wages and recommended a 3% average increase for the NRD's employees with \$18,000 for distribution at the Manager's discretion. Koehlmoos said that there would be a sizeable increase of 15% in employee insurance in the coming year. The Manager's salary was not included in the discussion. Kruse told the Board that the Committee wished to discuss the Manager's salary in Executive Session. Information on employee salaries was available from Koehlmoos.

Smith motioned, seconded by Rasmussen, to approve the staff salary portion of the FY- 2013 budget as presented and discussed. Motion carried by roll call vote, all present voting yes.

Koehlmoos presented the budget items for Auto and Truck Expense \$75,000; Auto and Trucks \$65,000; Director's Expenses \$42,000; Directors Per Diem \$27,500; Dues and Memberships \$55,000; Personnel Expenses \$28,000; Fees and Licenses \$48,600; and Public Information, Education, and Promotion \$69,000.

Koehlmoos continued his presentation on the budget items for Bonds \$500; Insurance \$54,000; Chemigation \$7,000; Legal Notices \$10,500; Miscellaneous Expenses \$7,500; Office Supplies and Expenses \$25,000; Office Equipment \$50,000; Employment Security \$5,500; Postage \$27,000; Professional Services \$50,000; Project Land Rights \$0; Project Legal Costs \$5,000; Telephone \$12,000; Utilities \$18,700; Soil Survey \$0; Building Maintenance \$37,500; Loan Repayment \$600,000; Farm Account \$42,500; Davis Creek Maintenance \$55,000; Pibel Lake Maintenance \$45,000; Corners For Wildlife \$35,200; Wildlife Habitat Program \$15,000; Buffer Strip Program \$178,009; and Arboretum Budget \$44,000.

Staab motioned, seconded by Amsberry, to give tentative approval to the portion of the FY-2013 budget as presented and discussed. Motion carried by roll call vote, all present voting yes.

MANAGER'S REPORT

Banking Resolutions

Koehlmoos told the Board that deposits in the bank exceeded FDIC allowances for insurance. Koehlmoos said staff checked certificate of deposit rates at area banks and found rates to be double that of NPAIT. He said the rate at one bank was .9% and 1% at the other.

Eschliman motioned, seconded by Rasmussen, to approve banking resolutions for certificate of deposits at Great Western Bank and Pathway Bank. Motion carried by roll call vote, all present voting yes.

Burwell Property

Koehlmoos told the Board that Thoene had been working with the Burwell Investment group regarding the potential sale of the NRD property in Burwell. Koehlmoos said that he had requested another month to work on the sale. Thoene provided the Board with pictures of the property. The lot is 60' by 120' and the building is about 30' by 80'. He said an adjacent property owner had made an offer of \$10,000, but he preferred to give the development group another month. Adams suggested that NRCS employee parking would be affected if the lot was sold.

Spalding Property

Koehlmoos said that concrete work was done on the Spalding property for \$2,880 by David Thome. Thome also bid the concrete pad at the property. He said that staff was proposing a 30' by 50' building to store the tree cooler and pickup and provide equipment storage. He said that building removal, tree removal, and landfill fees had been bid together at \$3,000.

Smith motioned, seconded by Thoene, to permit staff to determine pricing for potential new construction at the Spalding property for Board consideration. Motion carried by roll call vote, all present voting yes.

New Hires

Koehlmoos said that Trevor Fahrenholz had been hired for the summer maintenance crew. He said that the summer water sampling help in Area 28 were Dave Wamberg and Keith Byrkit.

NARD REPORT

Director's Report

Rasmussen said that the NARD Board met in Omaha on June 11th and passed a budget with a four percent increase. He said the new building at Husker Harvest Days was nearly complete. The insurance program could pay out a record amount in insurance benefits.

NRC REPORT

Hadenfeldt and Knutson reported that the Commission met at the Central Platte NRD the previous week. The funds made available to the Commission through the Legislature were awarded.

RC&D REPORTS

Loup Basin RC&D

Rasmussen told the Board that the RC&D had met at the Loup Basin Health Department in Burwell. The group had presentations from representatives from two weed departments.

PrairieLand RC&D

Gellermann reported that the RC&D met at the new Chamber of Commerce office in Norfolk. Members toured the visitors center and art center in the facility. The art center featured a display of interpretative art on water. Gellermann reported that funding is still being used on the Shell Creek project, and for collections on electronics and tires. He said that the RC&D has funds for a community garden.

ANNOUNCEMENTS

There were no announcements

EXECUTIVE SESSION – PERSONNEL

The Board went into executive session at 7:30 p.m.

Motion by Citta, seconded by Frenzen, to go into executive session to discuss personnel. Motion carried by roll call vote, all present voting yes.

Motion by Frenzen, seconded by Walden to come out of executive session. Motion carried by voice vote, all present voting yes.

The Board came out of executive session at 7:46 p.m.

Motion by Frenzen, seconded by Walden to set the General Manager's salary at \$95,000 annually. Motion carried by roll call vote. Directors voting yes: Amsberry, Bartak, Citta, Eschliman, Frenzen, Hadenfeldt, Kruse Petersen, Rasmussen, Staab and Walden. Directors voting no: Adams, Anderson, Gellermann, Knutson, Nelson, Smith, and Thoene. Directors absent: Gutzmer and Sieh.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:49 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, July 26, 2012, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary