

# LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

August 23, 2012

Ord, Nebraska

The August 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 August 23, 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  
Craig E. Frenzen  
Virgil W. Gellermann  
Thomas Knutson  
James C. Nelson  
Dean J. Rasmussen  
Gerald P. Smith  
Kim Walden

Rollie D. Amsberry, Treasurer  
Tim Bartak  
James J. Eschliman  
N. Richard Hadenfeldt  
Gary A. Kruse, Chairman  
Alan D. Petersen  
Darwin R. Sieh  
Henry J. Thoene

### Directors absent

Joseph L. Citta, Jr. Vice Chairman  
Bradley R. Staab

Michael P. Gutzmer

### Staff in attendance

Leon "Butch" Koehlmoos, General Manager  
Dell Harris, Water Resources Specialist  
Irene Kreifels, Financial Secretary  
Jason Moudry, Water Programs Specialist  
Larry D. Schultz, I&E Coordinator

Russell Callan, Assistant Manager  
Rita Goldfish, Administrative Assistant  
Robert T. Mohler, District Engineer  
Tylr Naprstek, Water Modeling Coordinator  
Richard Woollen, N.C. District Forester

### Guests in attendance

Bryce Bauer, DC, NRCS, Ord  
Dave Boehle, St. Libory  
Delwyn Buhl, Lindsay  
Bruce Lammers, Severson, Lammers & Abel CPAs, Ord

Rance Lierman, St. Paul  
Dave Schroeder, St. Paul  
Chad Buhl, Lindsay

## 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.

**Smith motioned, seconded by Knutson, 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 July 26, 2012, Board meeting minutes and none were heard. Kruse ruled that the July 26, 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 a payment of \$71,116 to the United States Geological Survey was for work completed on the Elkhorn-Loup Modeling (ELM) project. He said that \$56,000 of that cost would be paid for with grant funds, with the balance coming from the ELM participants. He said that the insulation work on the Headquarters building had been completed and two doors had been replaced. He directed the Board to the bill from Husker Sales & Services, Inc. for \$12,927.45.

**Rasmussen motioned, seconded by Bartak, to approve the August, 2012, Treasurer’s Report and pay all bills. Motion carried by roll call vote, all present voting yes.**

## LLNRD AUDIT REPORT

Bruce Lammers of Severson, Lammers & Abel directed the Board to the LLNRD Audit Report and provided a run-down of the information inside. He said that all the NRD finances were found to be in order.

**Thoene motioned, seconded by Anderson, to approve the LLNRD Audit Report. Motion carried by roll call vote, all present voting yes.**

## PUBLIC COMMENTS

There were no public comments.

## FORESTER'S REPORT

North Central District Forester Richard Woollen referred the Board to his written report in the agenda and said that a publication entitled *Living With Fire: A Guide for the Homeowner* was available from the Nebraska Forest Service.

Woollen said that trees in the District were suffering in the current drought. Drought stress can lead to problems with insect damage. He said mulch is a valuable tool for trees in drought situations.

Sieh asked if the drought was affecting tree production at Halsey and Woollen said that the facility provided for the dry conditions and seedling production would not be affected.

## PUBLIC HEARING ON LLNRD FY 2013 BUDGET

Chairman Kruse opened the public hearing on the Lower Loup NRD's FY-2013 Budget at 5:30 p.m.

## ENGINEERING REPORT

### Kaiser Road Structure

Howard County Attorney Dave Schroeder told the Board that he had reviewed the Kaiser Road Structure agreements and discussed it with the Howard County Board of Commissioners. The easement had the incorrect legal description for the site and was not adequate for protecting the county against damage claims from water backing up on the Kaiser property. He said there should have been a hydrology study and an elevation survey to define where water would be backed up on the property. Schroeder said that without the proper easement, the NRD's road structure program guidelines say the project can't proceed and he said that condition was never met. The county is concerned about its dilemma. Schroeder said that the NRD might sue if the structure is not repaired and the landowner might sue if the land is flooded by a repaired structure. He said that it might be best to start over from the beginning. Schroeder said that another issue was that the original document was not signed by one of the land's owners, Tom Kaiser.

Koehlmoos said that it appeared a 37-year old agreement was being held to modern standards under Schroeder's evaluation. He said it was the county who sought assistance from the NRD under the program. The NRD's agreement is with Howard County, not the landowner, and it was the county's easement with landowner. He said that the NRD's dilemma was to enforce the agreement or see a domino effect of similar situations around the district.

Gellermann asked what the county's intent was to enter into the agreement for the structure and Schroeder said he didn't know. Koehlmoos said it appeared the county sought to replace a bridge and wanted funding from the NRD to accomplish that intent. Smith said FSA maps could be consulted to

determine who might have modified the structure and collect damages. Koehlmoos asked if the county wanted to offer a settlement and Schroeder said that he could not answer that. Commissioner Rance Liermann said that it would be discussed by the county board and Kruse asked if the response would come in the next 30 days. Liermann said the county board would discuss it at its next meeting.

### PUBLIC HEARING ON LLNRD FY-2013 BUDGET (CONTINUED)

Chairman Kruse asked for public comments on the LLNRD FY-2013 budget. None were heard.

Chairman Kruse asked for comments from the members of the Lower Loup Natural Resources District Board of Directors. None were heard.

Koehlmoos told the Board that there was minimal budget information available when the meeting agendas were mailed and referred the Board to budget information included in the supplemental agenda. He said that some errors found in the budget summary had been found and corrected. He referred the Board to the statement of valuations, which showed a 6.3% increase. He said that the District property valuation was now \$9,369,081,150. Koehlmoos referred the Board to the budget worksheet, which showed actual expenditures and the proposed budget for the coming fiscal year. He said that the property tax asking would be \$1,865,658.06, an increase over what had been published, but a 42% reduction from the previous year. He said the lower asking resulted from unexpended spending for large projects, grant funds received, and a carryover from the previous year.

**Sieh motioned, seconded by Adams, to approve the FY-2013 Budget as presented. Motion carried by roll call vote, all present voting yes.**

Chairman Kruse closed the hearing at 6:12 p.m.

### PUBLIC HEARING TO SET FINAL TAX REQUEST FOR FY-2013

Chairman Kruse opened the public hearing to set the Lower Loup NRD's final tax request for FY-2013 at 6:14 p.m.

Chairman Kruse asked for public comments on the final tax request for the LLNRD FY-2013 budget. None were heard.

Chairman Kruse asked for comments from the Lower Loup Natural Resources District Board of Directors on the final tax request for the FY-2013 budget. None were heard.

#### Resolution to Approve Additional One Percent Increase

Koehlmoos told the Board that approval of the one percent increase would require a super majority vote of the Board. He said that the one percent would be added to the District's unexpended budget authority.

**Walden motioned, seconded by Eschliman, to adopt a resolution to approve the additional one percent increase in growth within the budget. Motion carried by roll call vote, all present voting yes.**

Resolution to Set the Property Tax Request

Koehlmoos said the resolution stated the 2012/2013 property tax request be set at \$1,865,658.06. He said the resolution would be sent to the Platte County Clerk on or before October 13, 2012.

**Rasmussen motioned, seconded by Thoene, to approve the resolution to set the property tax request at \$1,865,658.06. Motion carried by roll call vote, all present voting yes.**

Resolution to Set Levy for the Lower Loup Natural Resources District for Fiscal Year 2013

Koehlmoos said the resolution stated the amended District property valuation is \$9,369,081,150 and the levy for FY-2013 be established at \$0.019913 per \$100 of property valuation.

**Smith motioned, seconded by Hadenfeldt, to approve a resolution to set the levy for the Lower Loup Natural Resources District at \$0.019913 cents per \$100 valuation. Motion carried by roll call vote, all present voting yes.**

Koehlmoos said that the amended budget information would be republished across the District.

Chairman Kruse closed the hearing at 6:21 p.m.

NRCS REPORT

District Conservationist Bryce Bauer told the Board that his staff had finished accepting drought EQIP applications. He said each office had around 10 applications, but that might have increased to 15 to 20 applications per office. Many of the applications were for lowering wells or extending pipelines to reach new pastures.

Bauer said that he attended a meeting regarding HEL compliance. He said that silage and baling of residue would be allowed on HEL and non-HEL land with no cover requirement as long as crops were no-tilled. He said the only exception would be for those who have irrigation water available.

Bauer said that a no-till expo would be held in Broken Bow.

He said that mobile NRCS offices and tele-work would be utilized in some parts of the country, but he did not expect it to happen in Nebraska immediately.

## ENGINEERING REPORT

### Spalding Storage Building

District Engineer Robert Mohler told the Board that he had prepared an invitation to bid, the building requirements and a list of potential bidders. He asked the Board to offer any comments on the documents. After discussion, the bid deadline was set for September 17, 2012 and a request for construction start/end dates was added to the bid documents. Walden suggested the bid request be posted on the NRD web site.

**Knutson motioned, seconded by Smith, to approve accepting bids for a new NRD storage building in Spalding. Motion carried by roll call vote, all present voting yes.**

Mohler directed the Board to the supplemental agenda and an invitational flyer to a dedication of the Middle Loup Diversion Structure on the Middle Loup River on August 29.

## INFORMATION AND EDUCATION REPORT

### Husker Harvest Days

Information/Education Coordinator Larry Schultz told the Board that Husker Harvest Days would be held September 11, 12 and 13 and the NRDs would utilize their new building for the first time. He said Directors Anderson, Citta, Gellermann, Kruse and Rasmussen had volunteered for the event.

### Range & Land Judging

Schultz told the Board that the Central Platte NRD would host the Area IV Range Judging Contest on September 18<sup>th</sup> in Merrick County. The North Central Land Judging Contest would be hosted by Middle Niobrara NRD on October 4<sup>th</sup>. He said NRCS would handle the field portion of each contest.

Schultz passed to the Board a sign-up sheet for the NARD Annual Conference in Kearney.

## ASSISTANT MANAGER'S REPORT

### Variance Committee

Assistant Manager Russell Callan told the Board that the Variance Committee had met earlier in the day to hear variance requests. Darrel Buhl sought a supplemental well to assist in irrigating multiple fields through the combination of a single well and a livestock lagoon. Callan told the Board that the Variance Committee voted two to one with one abstention to recommend approval.

**Nelson motioned, seconded by Gellermann, to approve the variance request from Darrell Buhl and Buhl Farms, Inc. for a supplemental well. Motion carried by roll call vote. Directors voting yes: Adams, Anderson, Bartak, Eschliman, Frenzen, Gellermann, Hadenfeldt, Knutson,**

**Kruse, Nelson, Petersen, Rasmussen, Sieh, Smith, Thoene, Walden. Director abstaining: Amsberry. Directors absent: Citta, Gutzmer, Staab.**

Callan told the Board that the Committee had also heard a variance request from Amsberry Farms. He said that Amsberry Farms sought to change the use of a well from livestock to irrigation to blend with water from a livestock lagoon. He said the request was heard for the first time and would be heard again in September.

#### Water Resources Committee

Callan told the Board that the Water Resources Committee had made recommendations regarding the Lower Loup NRD's process for the final year of new irrigation allowed under LB-483. He said that the Committee recommended continued use of the ranking system previously employed. Bartak said he was concerned that the ranking system still allowed land with steep slopes in Boone County to be developed and gravity irrigation was still allowed. He said that previously irrigated acres should also get preference over grassland. Callan said that the Boone County land mentioned was developed following a transfer of irrigated acres, not through the LB-483 process. Callan said that conversion from gravity to pivot or drip irrigation means the NRD would be telling someone how to farm and he was concerned with the NRD making those decisions.

**Frenzen motioned, seconded by Adams, to approve the Water Resources Committee recommendation that the previous criteria be used to rank applications for new irrigated acres awarded under LB-483. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Eschliman, Frenzen, Gellermann, Hadenfeldt, Knutson, Kruse, Nelson, Petersen, Rasmussen, Sieh, Thoene, Walden. Directors voting no: Bartak, Smith. Directors absent: Citta, Gutzmer, Staab.**

Callan said that the Water Resources Committee recommended that the remaining 2,997.86 acres of the 10,000 acres granted under LB-483 be awarded for development in 2013. He said that the Committee recommended approval up to and including the last application that surpasses that number.

**Smith motioned, seconded by Thoene, to approve applications for new irrigation under LB-483 up to and including the last application that reaches or exceeds a total of 2,997.86 acres. Motion carried by roll call vote, all present voting yes.**

Callan told the Board that the Lower Loup NRD had hosted a meeting of the Lower Platte River Basin NRDs to discuss future irrigation development. He said that the group decided to assemble a document that would indicate the NRD's plans for future irrigation development. Koehlmoos said that the meeting instead dwelled on the current drought conditions. He said that Glenn Johnson of Lower Platte South NRD would be drafting a document for the group. The group would develop management and technical groups for this Lower Platte River Basin organization. Callan said that the Lower Loup NRD indicated intent to develop 3,000 new acres of irrigation following the sunset of LB-483. Koehlmoos said that the 3,000 figure could affect the NRD's agreement with DNR on the development of new surface water acres. Callan said that the process could remain a variance process, so rules changes would not be needed.

**Thoene motioned, seconded by Sieh, to approve the Water Resources Committee recommendation to allow development of 3,000 acres of new irrigation annually following the**

**sunset of LB-483. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Eschliman, Frenzen, Gellermann, Hadenfeldt, Kruse, Nelson, Petersen, Rasmussen, Sieh, Smith, Thoene, Walden. Director voting no: Knutson. Directors absent: Citta, Gutzmer, Staab.**

Callan told the Board that Jason Moudry had assembled a “319” grant application for a grant to monitor wellhead protection areas for nitrate contamination. Callan said that the grant would provide for additional sampling and information/education efforts through the NRD newsletter and mailings for residents of wellhead protection areas.

Callan said that Tylr Naprstek had assembled an application for an Environmental Trust Grant to make renovations at Pibel Lake. He said that the grant would improve water quality in the lake, which receives high levels of sediment and ag runoff from Clear Creek. He said the renovations would include creation of a sediment basin to keep the runoff from reaching the main body of the lake. The lake had numerous listings for impairments from DEQ. Smith said he was concerned that the landowners above the lake could be negatively affected and Koehlmoos said that the plan was simply to improve water quality and not place blame on landowners.

#### Groundwater Management Area Activities

##### Area 28 Activities

There was no report.

### MANAGER’S REPORT

#### Results of Bids for Burwell Property, 1997 Ford Pickup, 1979 Chevy Van, and Pumping Plant Test Equipment

General Manager Leon “Butch” Koehlmoos told the Board that the District had received bids on the equipment and vehicles for sale. The high bid on the Burwell building was from Spelts Lumber for \$20,111; the high bid for the 1997 Ford pickup was from Brian Burson of Elyria for \$5,253; the high bid for the 1979 Chevy van was from Thoene Farms of Burwell for \$800; and the high bid for the pumping plant equipment was from Thoene Farms of Burwell for \$2,525.

**Sieh motioned, seconded by Adams, to approve a resolution accepting the high bid from Spelts Lumber and authorizing the District General Manager to sign all necessary paperwork pertaining to the sale of the District real property in Burwell. Motion carried by roll call vote, all present voting yes.**

**Knutson motioned, seconded by Anderson, to accept the high bids for the sale of the 1997 Ford pickup, 1979 Chevy van, and pumping plant equipment. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Eschliman, Frenzen, Gellermann, Hadenfeldt, Knutson, Kruse, Nelson, Petersen, Rasmussen, Sieh, Smith, Walden. Director abstaining: Thoene. Directors absent: Citta, Gutzmer, Staab.**

Burwell Property

No additional action was taken.

Spalding Property

No additional action was taken.

Request for GIS Funding from Garfield County

Koehlmoos told the Board that he had received a request for \$1,500 in funding assistance on a GIS project at the assessor's office in Garfield County. Koehlmoos said that other counties in the NRD already have GIS systems. The NRD could expect additional requests for funding if the request was approved.

**Hadenfeldt motioned, seconded by Adams, to approve \$1,500 in funding assistance for the Garfield County GIS project. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Eschliman, Frenzen, Gellermann, Hadenfeldt, Knutson, Kruse, Petersen, Rasmussen, Thoene. Directors voting no: Nelson, Sieh, Smith, Walden. Directors absent: Citta, Gutzmer, Staab.**

Request for Funding of Butterfly Gardens Project from Loup Rivers Scenic Byway

Koehlmoos told the Board that representatives from Loup Rivers Scenic Byway had requested a letter of support for a grant to place butterfly gardens along the byway. He said the grant would cover the cost of an administrator and fund activities of volunteers for the project. He said that the organization had indicated support from other groups. He said the grant request was for \$140,000.

No action was taken.

New Hires

Koehlmoos said that there were no new hires.

NARD REPORTDirector's Report

Rasmussen said that the NARD Board would meet in September.

Resolutions and Voting Procedures for NARD Annual Conference

Koehlmoos said that the proposed resolutions were included in the agenda. The resolutions dealt with the Erosion and Sediment Control Act, RD Conservation Compliance Authority, and NRD Oversight of Weed Management Authorities.

Koehlmoos referred the Board to conference voting procedures included in the agenda.

## NRC REPORT

Hadenfeldt and Knutson reported that the Commission would meet in Kearney to discuss changes to rules and regulations.

## RC&D REPORTS

### Loup Basin RC&D

Rasmussen told the Board that the RC&D met in its new facilities in Burwell. He said that the RC&D would host a meeting of the Western RC&D on March 13, 2013. He said that the RC&D annual meeting would be held in September. Rasmussen reported that lodging in the area was full during the Junk Jaunt. He said that two members were traveling to Colorado and would investigate the use of cedar trees in generating electricity. Happy Jack Chalk Mine had been told by the State Fire Marshall to place fire sprinklers in the mine if the Haunted Hallow activity was to continue.

### PrairieLand RC&D

Gellermann reported that the RC&D met in Norfolk and heard about new business startups from local representatives. He said the group held a tire recycling pickup that charged for the first time and it was successful. The NRD would be receiving a request for higher dues from the RC&D.

## ANNOUNCEMENTS

Anderson said that re-licensing of Loup Power District was proceeding and the cost was less than one million dollars of what it cost to build the canal system.

## ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 8:00 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 newspaper in each county within the District. The next Board of Directors meeting will be held Thursday, September 27, 2012, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

---

Darwin B. Anderson  
Secretary