

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

June 27, 2013

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 27, 2013. Chairman Kruse called the meeting to order at 5:00 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
Darwin B. Anderson, Secretary
Joseph L. Citta, Jr., Vice Chairman
Virgil W. Gellermann
Thomas L. Knutson
Clifford P. Loseke
James C. Nelson
Dean J. Rasmussen
Gerald P. Smith

Rollie D. Amsberry, Treasurer
Timothy E. Bartak
James J. Eschliman
Randy Kauk
Gary A. Kruse, Chairman
Matt Lukasiewicz
Alan D. Petersen
Darwin R. Sieh
Henry J. Thoene

Directors absent

Michael P. Gutzmer
Kim C. Walden

N. Richard Hadenfeldt

Staff in attendance

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

Russell G. Callan, Assistant Manager
Rita A. Goldfish, Administrative Assistant
Robert T. Mohler, District Engineer
Richard L. Woollen, District Forester
Tylr D. Naprstek, Water Modeling Coord.
LeeAnn Smith, Water Resources Assistant

Guests in attendance

Mark Sintek, RC, NRCS, Ord

Eugene Bredthauer, 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 referred those in attendance to the open meeting law information posted in the Board room. 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, posted at the NRD Headquarters office in Ord and the eight field office locations, and on the NRD web site.

Smith motioned, seconded by Sieh, 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 May 23, 2013, Board meeting minutes. Hearing none, Chairman Kruse ruled that the May 23, 2013, 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.

Callan told the Board that a Truax drill was purchased for \$29,525.00 with funds, in part, from Environmental Trust grant monies. Koehlmoos commented that a partial payment of \$12,279.00 was made to Thome Construction for the Spalding storage building; a new trailer for the skid steer was bought for \$4,995.00 to replace the damaged trailer; a rotary mower was purchased for \$4,999.00; the NRD's portion of the forester's salary was paid to UNL in the amount of \$35,072.53; tree seedlings were paid for at a cost of \$21,193.88; and skid steer repairs totaling \$9,870.65, of which insurance will pay all but \$500.00. Koehlmoos also reported that \$10,000 was paid to the city of Columbus for the walking trail and a partial payment of \$6,000 was made to Kittle Plumbing for a well at the Aagaard Farm. Koehlmoos mentioned payments yet to be made this fiscal year to Loup Valleys RPPD for \$39,120.59 for electrical service to Davis Creek and to Husker Sales & Service for \$53,868.43 for building materials at the Aagaard Farm. Koehlmoos also reported that the tree removal project at Pibel Lake was completed and payment of \$18,610.00 was made to Loup Valley Tree Service. Koehlmoos mentioned a payment to North Loup River PP&I District of \$31,420.00 for the Hardenbrook walkway.

Rasmussen motioned, seconded by Petersen, to approve the June, 2013, Treasurer's Report and pay all bills. Motion carried by roll call vote, all present voting yes.

PUBLIC COMMENTS

There were no public comments.

FORESTER'S REPORT

District Forester Rich Woollen reported that Mongolian Scots pine and Meyer spruce tree species were planted at the Aagaard Farm for evaluation.

Woollen reported that the NRD Basin Tour included a visit to the Region 24 Complex wildfire area to see how the plants are recovering from the 2012 fire. Woollen said that recovery depends on how hot the fire burns. There isn't much coming back in the pine/cedar areas, but many hardwoods survived.

Woollen said that he has completed several Forest Stewardship Program reviews.

Woollen reported that a single engine air tanker (SEAT) base, to be used for combating wildfires and was part of Senator Davis's LB-634, is under construction in Valentine and will hopefully be in operation by mid-July.

NRCS REPORT

Mark Sintek, RC with NRCS, reported that a technician has been selected for the Spalding office. He said that NRCS will be receiving an additional \$250,000 for EQIP plans. Sintek reported that most offices have completed their compliance reviews for HEL and sodbusted fields, looking for wetland issues. He said that 10% will probably be out of compliance, half from last year.

INFORMATION & EDUCATION REPORT

Information & Education Coordinator Larry Schultz reported that ACE Camp was recently held at the 4-H Camp in Halsey. There were 32 campers, including 3 from Lower Loup. Schultz led an introductory session on the NRD system and another on water rockets.

Schultz reported that Youth Range Camp is completed. He said it is a classroom-type camp for kids who have a specific interest in range. Tests are taken and the youth need to identify 20 range plants and characteristics in 3 days; then 10 more plants are added each day until the end of camp.

Schultz reminded the Board that the NRD provides \$100 scholarships to these camps.

Schultz said that county fairs will begin soon and field office staff will be on hand during high-traffic times to meet with constituents in their area.

Schultz reported that the newsletter *In The Loup* is at the printers and that a new system, "Every Door", will be used to get the newsletter delivered. Schultz said it's similar to bulk mailing and will cost less.

Schultz said the winner of the Grassland Award for 2013 is Alvin Kruml of Custer County.

Koehlmoos said if the Board wants to introduce any resolutions at the NARD Annual Conference, they would have to be voted on by the Board at the July meeting. The conference will be held September 23-24, 2013.

Schultz reported that the web site provider, IdeaBank of Hastings, has been selected to re-design the LLNRD web site. Their bid was for \$12,000 to \$12,500.

Eschliman motioned, seconded by Thoene, to accept the bid of \$12,000 to \$12,500 from IdeaBank of Hastings for the re-design of the Lower Loup NRD web site. Motion carried by roll call vote, all present voting yes.

ASSISTANT MANAGER'S REPORT

Variance Committee

Assistant General Manager Russ Callan told the Board that the Variance Committee had met and heard a request from H & M Farms, Inc. The request is a result of the hearing last month and the cease and desist order that was issued. H&M Farms, Inc. submitted a schedule of compliance, which was approved, and now wants to transfer 50.3 certified irrigated acres from one field in Howard County to another field to utilize 24 acres to complete a pivot circle for the 2014 season.

Amsberry motioned, seconded by Nelson, to suspend the variance rule of two hearings and recommend the approval of the H & M Farms, Inc. (Kroeger) variance request. Motion carried by roll call vote, all present voting yes.

Certified Acres

Callan said that letters have been sent to approximately 112 producers in Howard and Custer Counties who may have an error or potential violation in their certification. Several calls have come in and staff has been able to take care of most of the certification situations without much trouble.

Callan mentioned that Harris and Thoene recently visited a piece of property west of Ord that involves a transfer. A neighbor said that sediment and silt was coming over the road, but Thoene said they didn't see any, but there was a lot of erosion in the field. A road culvert was not found in the alleged erosion area. Pictures were shown of the area.

Area 28 Activities

Callan reported that Dave Wamberg is collecting irrigation water samples.

HARDENBROOK DAM PEDESTRIAN CROSSING

Koehlmoos said that Craig Critel, Manager of the North Loup River Public Power & Irrigation District, was unable to attend the meeting. Koehlmoos reported that the Hardenbrook dam, diversion, bridge and crossing are done. He said that the payment of \$31,420 was approved in the Treasurer's Report. Koehlmoos said the Ord Economic Development Board has voted to provide the NRD \$15,000 matching funds toward the Hardenbrook project. He informed the Board that there will be a ribbon cutting and dedication of the dam on July 25th at 2:00 p.m.

PROGRAMS/PROJECTS COMMITTEE REPORTElectrical Service at Davis Creek Recreation Area

Koehlmoos reported that REA submitted a revised bid for the electrical service at Davis Creek. REA felt that 'knifing' the underground lines would be more beneficial than trenching since it would result in less soil disturbance.

Eschliman motioned, seconded by Adams, to accept the revised bid of \$73,923.15 from Loup Valleys Rural Public Power District for the electrical service work at Davis Creek, with a contingency fee of 15% withheld until final project approval. Motion carried by roll call vote, all present voting yes.

Davis Creek Recreation Area Rules Enforcement

Koehlmoos said that Valley County Sheriff Casey Hurlburt and Chief Deputy Roy Crites visited with the Committee about the need to staff Davis Creek with law enforcement officials during major holiday weekends, such as the upcoming 4th of July weekend. Last year's July 4th holiday presented numerous law enforcement issues and considerable time was spent patrolling the site. Hurlburt felt that having a deputy serve as 'camp host' during the weekend would help to reduce the number of incidents when attendance is at its peak. The NRD and the Sheriff's Office would split the \$15 per hour payment for the deputy.

Petersen motioned, seconded by Sieh, that the Lower Loup NRD pay 50 percent of the cost of having a law enforcement officer serve as camp host at Davis Creek Recreation Area during the 2013 July 4th holiday, with a report to be given by Sheriff Hurlburt after the event. Motion carried by roll call vote, all present voting yes.

Pibel Lake Road R-O-W

Koehlmoos reported that when the NRD acquired the lake from the Nebraska Game & Parks Commission, the property line excluded the dam. The NRD thought this might create some obstacles in the future if something should happen to the dam. Koehlmoos explained that

the dam and the road belong to the Nebraska Department of Roads. When NDOR was contacted, the state indicated that the property could be transferred to the NRD in consideration of \$1. Koehlmoos said that the roads department would maintain the road that crosses the property, but the NRD would be responsible for the rest of the property. The NRD needs to start the transaction by letter to the Nebraska Department of Transportation.

Eschliman motioned, seconded by Kauk, that the Lower Loup NRD to start the process to acquire the Pibel Lake dam property for \$1 from the State of Nebraska. Motion carried by roll call vote, all present voting yes.

Aagaard Farm Storage Building

Koehlmoos reported that he, Callan and Mohler had met with Husker Sales & Service regarding details of the storage building at the Aagaard Farm. The floor was discussed and the contractor said he would quote a cement floor for the entire building, along with the sidewalk and approaches to the two garage doors. The Committee recommended revising the bid to include the extra concrete.

There were questions on cost figures, so this item was postponed while staff looked up some figures.

Sherman Dam Bank Stabilization

Koehlmoos said that the Farwell Irrigation District has an erosion problem on the bank of Sherman Dam. The Committee discussed whether the situation was a maintenance issue or if it would qualify for NRD financial participation under the erosion control, public safety, and recreation components of the Lower Loup NRD's Project Participation Policy. The Committee felt it was a safety issue. Pictures were shown of the area.

Eschliman motioned, seconded by Rasmussen, that the Lower Loup NRD participate at 15 percent of the local costs, not to exceed \$5,000, using the public health and safety component of the Lower Loup NRD's Project Participation Policy. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Kruse, Loseke, Nelson, Petersen, Rasmussen, Sieh, Smith, and Thoene. Directors abstaining: Kauk, Knutson, and Lukasiewicz. Directors absent: Gutzmer, Hadenfeldt, and Walden.

Eschliman mentioned that Sherman Dam and Reservoir recently had its 50th anniversary. Koehlmoos said the Committee suggested developing a resolution congratulating Farwell Irrigation District and the Loup Basin Reclamation District on the anniversary and commending them for their maintenance of the dam.

Eschliman motioned, seconded by Citta, that the Lower Loup NRD develop a resolution to the Farwell Irrigation District and the Loup Basin Reclamation District in honor of the 50th anniversary of the dedication of the Sherman Dam and Reservoir. Motion carried by roll call vote, all present voting yes.

Fullerton Powerhouse Park

Koehlmoos reported that the city of Fullerton submitted a three-phase plan for the development of a park and recreation area on an island north of Fullerton that was given to the city. The first two phases were reviewed by the Committee. The first phase of the project includes security fencing and renovation of the bridge at a cost of \$17,200; and the second phase includes on a concrete walking trail around the 6-acre island at a cost of \$28,600. Pictures were shown of the area.

Eschliman motioned, seconded by Knutson, that the Lower Loup NRD participate in the first two phases of the Fullerton Powerhouse Park project at a rate of 25 percent of the local costs, not to exceed \$7,900. Motion carried by roll call vote, all present voting yes.

“Run Around Trail” – C.A.R.T.

Koehlmoos said the “Run Around Trail” by Van Berg golf course would be an extension of the West Pawnee Park Trail which would eventually hook on to the nearby levee when complete. Pictures were shown of the site. Koehlmoos told the Board that C.A.R.T. had also approached the NRD regarding funding for the “Lost Creek to Powerhouse Park Trail.” The Committee would like more information on that trail before the NRD considers financial participation.

Citta commented that, typically, C.A.R.T. submits plans that are well-founded. He questioned what C.A.R.T.’s financial request was and Koehlmoos said they requested 17 percent. He explained that the NRD’s policy has been to recommend 10 percent to the Board.

Eschliman motioned, seconded by Loseke, that the Lower Loup NRD participate financially in the “Run Around Trail” at 10 percent of the local costs, not to exceed \$16,000. Motion carried by roll call vote, all present voting yes.

Aagaard Farm Storage Building

Mohler provided some cost figures for the building. Several numbers combined different parts of the project making it difficult to separate out the individual items. After further discussion, it was the consensus of the Board to table this item until staff could talk to Husker Sales & Service to obtain more exact cost figures.

Other

Koehlmoos said that the addition of camping pads at Davis Creek was discussed by the Committee.

ENGINEERING REPORT

Howard County Road Structures

District Engineer Robert Mohler referred the Board to a letter in the agenda that had been drafted to Howard County Attorney David Schroeder regarding five road structures in the county that are in disrepair. Mohler wanted to make sure the letter met with the Board's approval since its contents are an important step in the NRD's road structure history.

Koehlmoos said he wanted to make sure the NRD had no future liability regarding the Kaiser, Kyhn #2, Lukasiewicz, Bryl, and Armstrong road structures. Koehlmoos commented that it was found there was 'a lot of life' left in the road structures. Sediment pools already filled in the structures ranged from 3% to 50% of design capacity used.

FY-2014 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 24th, discussing employee wages and recommended a 3.97% average increase for the NRD's employees with \$54,700 for distribution at the Manager's discretion. The Manager's salary was not included in the discussion. Kruse told the Board that the Manager's salary would be discussed in Executive Session. Koehlmoos said there were 2 additional members on the Executive Committee this year. He said that there would be a 3% increase in employee insurance for the coming year, which was a much better rate than the 15% increase last year.

Sieh motioned, seconded by Anderson, to approve the staff salary portion of the FY- 2014 budget as presented and discussed. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Kauk, Knutson, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Sieh, and Smith. Director not present for vote: Thoene. Directors absent: Gutzmer, Hadenfeldt, and Walden.

Koehlmoos presented the budget items for Auto and Truck Expense \$75,000; Auto and Trucks \$65,000; Director's Expenses \$52,000; Directors Per Diem \$29,500; Dues and Memberships \$70,000; Personnel Expenses \$38,000; Fees and Licenses \$50,000; and Public Information, Education, and Promotion \$71,600.

Koehlmoos continued his presentation on the budget items for Bonds \$500; Insurance \$52,000; Chemigation \$7,000; Legal Notices \$12,000; Miscellaneous Expenses \$7,500; Office Supplies and Expenses \$26,000; Office Equipment \$45,000; Employment Security \$5,500; Postage \$25,000; Professional Services \$50,000; Project Land Rights \$0; Project Legal Costs \$5,000; Telephone \$12,000; Utilities \$21,700; Soil Survey \$0; Building Maintenance \$20,500; and Loan Repayment \$600,000.

Koehlmoos said that there have been several improvements at the Aagaard Farm. In addition to tree plantings and wildlife food plots, the new well has been installed, the water

pipeline is nearly complete, and the old barn and doll house have been demolished. Koehlmoos would like to get some of the expense off the 2012/2013 budget, and mentioned that Husker Sales & Service could prebill the NRD for \$53,860 for some of the concrete and materials.

Recommended for FY-2014: Farm Account \$90,500.

Koehlmoos said that there will be many exciting things happening at Davis Creek in the coming year. The first considered improvements in FY-2014 will be the electrical service line, security lights, pressurized water system, and 10 concrete camping pads. Koehlmoos reported that 6 new camping pads have recently been poured, with 4 more to go. Koehlmoos said that the Programs/Projects Committee is looking at the lack of facilities at Davis Creek and discussed the possibility of adding 2 new areas of camping pads, 45 in each area. Also being considered, at some point, would be 2 more picnic shelters, fish cleaning station, and camper dump station. Koehlmoos said there is a lot of work that could be done, but how many dollars should be budgeted? Koehlmoos recommended a budget \$131,879, which would take care of the first considered improvements.

Citta suggested taking staff budget recommendations and moving forward, then see what the budget looks like later. If there is some 'cushion,' some improvement items could be added at a later time.

Recommended for FY-2014: Davis Creek Recreation & Maintenance \$131,879.

Other budget items Koehlmoos highlighted were Pibel Lake/Clear Creek Watershed Plan \$71,000; Pibel Lake Recreation & Maintenance \$113,000; Corners for Wildlife \$0; Wildlife Habitat Program \$20,000; Buffer Strip Program \$184,312; and Arboretum Budget \$68,455.

Smith motioned, seconded by Kauk, to give tentative approval to the first half of the FY-2014 budget as presented and discussed. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Kauk, Knutson, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Sieh, and Smith. Director not present for vote: Thoene. Directors absent: Gutzmer, Hadenfeldt, and Walden.

MANAGER'S REPORT

New Hires

Koehlmoos reported that Dave Wamberg from Fullerton had been hired to help with the water quality sampling.

NARD REPORT

Director's Report

Rasmussen reported that there will be a 3% increase in health insurance. He said there had been no major claims.

NRC REPORT

Commissioner's Report

Knutson reported that an NRC meeting had been held in Beatrice, with tours of Lower Big Blue NRD and Little Blue NRD projects. He said Senator Carlson was at the meeting to talk about LB-517.

RC&D REPORTS

Loup Basin RC&D

Rasmussen said Loup Basin met in North Loup, with good attendance. He said 500 tons of tires were collected during the recent scrap tire collection. Citta said that most of the tires get shipped to Kansas, baled, and put in landfills because they're not banned in Kansas.

Rasmussen also reported that there will be an antique tractor parade in July from Taylor to Burwell.

PrairieLand

Gellermann reported that their meeting had been cancelled due to a storm. He said Albion was approved for a tire collection.

ANNOUNCEMENTS

The Water Resources Committee will meet Tuesday, July 16th, at 10:00 a.m.
The Programs/Projects Committee will meet Thursday, July 18th, at 1:00 p.m.

Kruse mentioned an invitation from the Concord Haskell Agricultural Lab for August 12th.

EXECUTIVE SESSION – PERSONNEL

Adams motioned, seconded by Knutson, to go into executive session to discuss personnel. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Kauk, Knutson, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Sieh, and Smith. Director not present during vote: Thoene. Directors absent: Gutzmer, Hadenfeldt, and Walden.

The Board went into executive session at 7:18 p.m.

Loseke motioned, seconded by Smith, to come out of executive session. Motion carried by voice vote, all present voting yes.

The Board came out of executive session at 7:33 p.m.

Adams motioned, seconded by Loseke, to increase the General Manager's salary \$5,000 taking it to \$100,000 annually. Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Kauk, Knutson, Kruse, Loseke, Lukasiewicz, Nelson, Petersen, Rasmussen, Sieh, and Smith. Director not present during vote: Thoene. Directors absent: Gutzmer, Hadenfeldt, and Walden.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 7:37 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 25, 2013, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary