

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

July 25, 2013

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 25, 2013. Chairman Kruse called the meeting to order at 5:01 p.m.

CALL TO ORDER

Directors in attendance

James C. Adams
James J. Eschliman
Michael P. Gutzmer
Thomas L. Knutson
James C. Nelson
Dean J. Rasmussen

Rollie D. Amsberry, Treasurer
Virgil W. Gellermann
N. Richard Hadenfeldt
Gary A. Kruse, Chairman
Alan D. Petersen
Gerald P. Smith

Directors absent

Darwin B. Anderson, Secretary
Joseph L. Citta, Jr., Vice Chairman
Clifford P. Loseke
Darwin R. Sieh
Kim C. Walden

Timothy E. Bartak
Randy Kauk
Matt Lukasiewicz
Henry J. Thoene

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Dell R. Harris, Water Resources Specialist
Robert T. Mohler, District Engineer
Larry D. Schultz, I&E Coordinator
LeeAnn Smith, Water Resources Assistant

Russell G. Callan, Assistant Manager
Irene F. Kreifels, Financial Secretary
Cheryl K. Hornickel, Programs Assistant
Tylr D. Naprstek, Water Modeling Coord.

Guests in attendance

Mark Sintek, RC, NRCS, Ord
Wyatt Gutzmer, Columbus

Raymond L. Sheldon, North Platte

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. Koehlmoos said there were no modifications to the agenda.

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 27, 2013, Board meeting minutes. Hearing none, Chairman Kruse ruled that the June 27, 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.

Koehlmoos reported that Inspro was paid \$46,173 for the insurance package renewal, which was less than in 2012. He reported that the water service at the Aagaard Farm was completed and Kittle Plumbing received a partial payment of \$4,000. Koehlmoos said the water guzzler is a wildlife waterer that will be put in the far corner of the Aagaard Farm. The expenses listed for it in the Treasurer's Report are for the wood framing and metal that will divert water to the system.

Rasmussen motioned, seconded by Smith, to approve the July, 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

Koehlmoos said that District Forester Rich Woollen was on vacation. Koehlmoos reported that Woollen had attended the NRD Forestry Roundtable and Workshop at the Lower Elkhorn NRD last month. The Conservation Tree Work Group met recently and discussed possible solutions for increasing tree seedling sales. Koehlmoos reported that Bessey Nursery at

Halsey had an inventory of approximately 1.7 million trees and total sales of 722,608. Drought and volunteer redcedars were the main reasons for low sales.

NRCS REPORT

Mark Sintek, RC with NRCS, reported that Kraig Beck, currently a TSP at the St. Paul Field Office, has accepted the NRCS technician position at the Spalding office and will start on July 29th. Ryan Lodge, the Pheasants Forever-Farm Bill Biologist located in St. Paul, is now located in Neligh. He will still cover most of the Lower Loup NRD. Sintek reported that, due to drought, CRP acres were recently released for emergency haying and grazing throughout the whole District. CRP contracts have been approved by FSA and sent to NRCS, whose staff will work with the producers to get cover on the ground. Sintek said the Lower Loup NRD has received 11 new WRP applications approved for funding. Sintek reported that funds are still available in Nebraska through EQIP for windbreak renovations. He said that the NRD received an additional \$250,000 for general EQIP contracts. Sintek told the Board that Lower Loup NRD had 60 CSP applications pre-approved and said that three-fourths of them were awarded for the Burwell area. Lower Loup NRD had 20% of the state total CSP applications.

INFORMATION & EDUCATION REPORT

Information & Education Coordinator Larry Schultz reported that the Information/Education group met in Scottsbluff on July 17-18. He said that staff and directors who have served 20, 25, 30, 35, and 40 years will be recognized at annual conference, in addition to those who have served since NRDs began. Schultz said there is some available volunteer space for booths at the Nebraska State Fair and Husker Harvest Days.

Schultz said the he, Koehlmoos and Callan had a conference call with IdeaBank, the company who is updating the NRD web site. Color schemes, looks, and functionality were discussed.

ASSISTANT MANAGER'S REPORT

Variance Committee

The Variance Committee did not meet in July.

Water Resources Committee

2012 LB-483 Numbers

Callan referred the Board to a handout which summarized data from the NRD's LB-483 new irrigated acres process and information on transfers. He mentioned that about 130 notices regarding possible violations of certified irrigated acres had been sent to landowners. He said that 3 potential violations may go to formal complaint. Most of the violations have been clerical errors and field boundary changes.

Wetland Reserve Program

Callan said that the Wetland Reserve Program is often a permanent retirement of irrigated acres and enrollees are paid accordingly when the ground is irrigated. Landowners have been transferring those acres to other pieces of ground. Callan said landowners are getting paid to not irrigate the wetland acres anymore and then they are selling and/or transferring the acres somewhere else. The Water Committee thought this should not be allowed to happen, so, right now, Wetland Reserve transfers are not being allowed to happen.

Adams asked if the wetland acres that are no longer being irrigated could be 'banked.' Callan said it's possible to get them as a credit and would look in to it.

Purchase of Water Rights in Central Platte NRD

Lower Loup NRD was approached by Central Platte NRD regarding the purchase of some water rights on property that is split 60/40 between the 2 NRDs. The acre-feet depletion affects the Loup River. The Water Committee felt Lower Loup NRD should not purchase the water rights at this time, but will continue to discuss it.

Infrared Aerial Photography

Callan told the Board that it was time to consider infrared aerial photography of the District for 2013. He said that without the infrared photography, the enforcement of irrigated acres rules would be impossible.

Smith motioned, seconded by Knutson, to have Cornerstone Mapping of Lincoln do the infrared aerial photography of the District for \$114,000. Motion carried by roll call vote, all present voting yes.

Environmental Trust Meter Program

Callan said that the voluntary meter program has been very successful and many applications have been submitted. The grant funds have all been disbursed, but another grant could be sought to continue the program for an additional three years.

Adams motioned, seconded by Gutzmer, to direct staff to seek another grant from the Nebraska Environmental Trust for continued implementation of flowmeters. Motion carried by roll call vote, all present voting yes.

Lower Platte Basin Plan Update

Callan reported that the Lower Platte Basin group, consisting of seven NRDs and DNR, had met on July 11th in Ord to work on the organization's structure, an interlocal agreement, the organization of committees, and the appointment of the Lower Loup NRD as the agency to represent the group for contracts, agreements, and other paperwork. Funds would be maintained by the NARD. The next meeting of the group is scheduled for September 5th in Ord.

South Loup – Middle Loup Temperature Study

Callan said that the NRD had been approached by USGS regarding a study of water temperatures in the South Loup and Middle Loup Rivers. USGS is going to work with the Upper Loup NRD and fly over parts of the rivers using thermal infrared imagery to assess groundwater/surface water interaction in the rivers. This will provide information on where groundwater is recharging the river, where the river is recharging the groundwater, and where no recharge is taking place based on temperature differences.

Callan said the process would be important to the NRD in the South Loup River system and what to do with the declining groundwater levels on the south side of it. Callan felt the information could be crucial regarding potential recharge projects and structures.

Amsberry motioned, seconded by Knutson, to recommend the Lower Loup NRD's participation in the South Loup/Middle Loup Rivers Temperature Study at a cost of \$14,000. Motion carried by roll call vote, all present voting yes.

News Campaign

Callan reported that a news release had been prepared for the Columbus Telegram newspaper and maps made detailing the continuing groundwater nitrate and over-application problems in the NRD's Water Quality Area 28.

Area 28 Water Meters

Callan said that the Water Committee supports making water meters mandatory in Area 28 and suggested a cost-share program to implement the meters. Water meters record water quantity and nitrogen application measurements and felt they would be a valuable water quality tool for use in Area 28. The cost-share for flowmeters would be over a three-year period – 100% the first year, 75% the second year, and 50% the third year. Callan said that if the nearly 400 Area 28 landowners purchased meters the first year, the cost-share would be nearly \$550,000.

Hadenfelt asked if the NRD or the landowners were going to maintain the meters and Callan said he recommended to the Water Committee that the NRD maintain the meters.

Eschliman asked if the cost-share was for meters and installation and Callan responded that the cost-share would be for the meter only. Installation would be the landowner's expense.

Amsberry asked if the meters were self-reporting or if NRD personnel would be reading them. Callan answered that staff would read them because water samples are picked up at the sites every year.

Adams motioned, seconded by Smith, that the Lower Loup NRD implement a mandatory flowmeter program for Water Quality Area 28, with three years of cost-share for flowmeters – 100% the first year, 75% the second year, and 50% the third year. Motion carried by roll call vote, all present voting yes.

Callan clarified that Environmental Trust grants cannot be used for mandatory programs.

Irrigated Acres Transfers

Callan said the Water Committee would like staff to draft new transfer criteria of irrigated acres on highly erodible land, looking at soil types and irrigated land class. Callan is concerned that once it gets started, there will be many transfer requests submitted. Callan suggested a temporary suspension on transfers until the criteria is developed.

Callan clarified that a field boundary change is not a transfer.

Gellermann motioned, seconded by Rasmussen, to place a temporary suspension on the approval of new requests for transfers of irrigated acres in the Lower Loup NRD. Motion carried by roll call vote, all present voting yes.

The suspension is immediate and will remain in effect until the NRD Board takes further action.

Irrigation Monitoring Program

Tylr Naprstek gave a powerpoint presentation on the Irrigation Monitoring Program. He said the program was financed by the Lower Loup NRD and the Environmental Trust. Over the 3-year period, \$150,000 was granted. There were three categories in which the funds were utilized – flowmeters, data loggers, and pressure transducers. The only criteria for a producer to receive cost-share was to allow NRD access to the flowmeter for 10 years. Naprstek was pleased with the distribution of flowmeters across the District. Naprstek said that if the NRD reapplies for the grant, he would like it amended to include ET sensors and soil crop water use to be deployed out in the field. Naprstek said the program has been successful and landowners are beginning to see the benefits of having flowmeters installed.

PROGRAMS/PROJECTS COMMITTEE REPORT

Aagaard Farm Progress

District Engineer Robert Mohler reported that the water line and well were installed at the Aagaard Farm, as well as two wildlife waterers. Koehlmoos said that oats had been planted at the farm and the local combiner was ready to harvest, but then the farm got hit with hail. He said the main reason for planting oats was to establish some wildlife cover.

Spalding Building Progress

Mohler reported that bids were received from Scotia Electric and Carraher Electric for the electrical work on the Spalding building. Koehlmoos said that once the electrical work was complete, the building should be operational.

Smith motioned, seconded by Hadenfeldt, to approve the bid of \$8,880 from Carraher Electric for electrical work on the Spalding storage building. Motion carried by roll call vote, all present voting yes.

Pibel Lake Renovation Project

Naprstek said he had shown a map to the Committee of the goals at Pibel Lake, including the sediment settling basin, the jetties, bridge, and outlet structure. He said that a design and 404 permit will be needed. The 404 permit is part of regulations regarding the discharge of dredged and fill material into waters of the United States. Naprstek said he has an RFP ready.

Eschliman motioned, seconded by Petersen, to allow Naprstek to send out the RFP to hire an engineer to seek a 404 permit from the Corps of Engineers for the Pibel Lake Renovation Project. Motion carried by roll call vote, all present voting yes.

Aagaard Farm Storage Building

Mohler said that staff met with the contractor to clarify and compare numbers regarding the bid for the Aagaard Farm storage building. The original bid was for \$110,845.00. A revised bid of \$135,218.54 was submitted which included the outside aprons in front of the drive-in doors, a bigger interior room, a restroom, and an all concrete floor.

Smith motioned, seconded by Adams, to approve the revised bid of \$135,218.54 from Husker Sales for the Aagaard Farm storage building. Motion carried by roll call vote, all present voting yes.

Davis Creek Recreation Area

Mohler reported that REA is planning to install the service line at Davis Creek after some paperwork is completed. REA and the Bureau of Reclamation are working on an easement for right to access the property since the land is still Bureau property.

Adams said the cost of repairing the fish stations at the Calamus is very high, so he advised staff to take a thorough look into costs for fish stations before purchasing them for Davis Creek.

Mohler recommended that the NRD use the full-blown plans and specs for the water line project. Since HHS requires testing of potable water systems for public use, the NRD will need to demonstrate to them that it is doing a credible, thorough job with the water line installation.

Knutson motioned, seconded by Hadenfeldt, to direct staff to proceed with RFPs for water line construction and send out invitations to bid on the security lighting at Davis Creek Recreation Area. Motion carried by roll call vote, all present voting yes.

Howard County Road Structures

Mohler informed the Board that the the NRD had received a check for \$7,612.69 and a letter from the Howard County attorney regarding the Kaiser, Kyhn #2, Lukasiewicz, Bryl, and Armstrong road structures in Howard County. He directed the Board's attention to the *Mutual Rescission and Release Agreement* in the supplemental agenda, which is ready for Lower Loup NRD signatures.

FY-2014 BUDGET WORK SESSION #2

Koehlmoos directed the Board to the budget information included in the agenda and said this budget session is where the income-producing accounts and water quality/quantity items are discussed.

Callan highlighted items in Code 438-Special Projects that the Water Resources Committee felt should be added to the budget – USGS Thermal River Study-\$15,000; Area 28 Meter Program-\$550,000; Water Quantity Level Loggers (6)-\$40,000; Water Quantity/Quality Monitoring Wells-\$10,000; South Loup Watershed Plan-\$150,000; the USGS/Lower Elkhorn ET Grant River Study-\$9,000; and GIS Solutions-\$75,000. The recommended FY-2014 total for Special Projects is \$1,225,000.

The following budget items were presented: Water Quality Fund \$95,500; Grant Funds \$414,000; Water Well Decommissioning Fund \$55,000; Land Treatment \$395,500; Project Construction \$1,050,000; Assessment Projects \$0; FEMA Hazard Mitigation Plan \$0; Stock and Stock Purchases \$150,000; Machinery & Equipment \$58,000; Community Forestry Program \$35,000; Prescribed Burn Program \$30,000; and Capital Improvements \$150,000.

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.

Koehlmoos said that no extra money has been set aside for extra concrete pads at Davis Creek. He said rough estimates were put together on costs to build additional facilities, including 100 more camping stalls. The estimate came out at about \$184,000. The Board had decided that this expense should not be put in the budget at this time, but rather wait and see how the budget comes out. Koehlmoos said he would calculate the budget under the present terms, and then bring back a number including the \$184,000 and its impact on the levy. A decision can be made prior to the hearing in August regarding the additional expense.

Gutzmer motioned, seconded by Smith, to give tentative approval to the second half of the FY-2014 Budget. Motion carried by roll call vote, all present voting yes.

MANAGER'S REPORT

New Hires

Koehlmoos reported that Ann Freeman of Burwell has been hired as Program Secretary. She will start August 19th.

NARD REPORT

Director's Report

Rasmussen said that NARD had not met.

NRC REPORT

Commissioner's Report

Hadenfeldt reported that the Water Funding Task Force would be meeting several times in the coming months to take a look at the state's water issues. The Task Force was created by LB-517, introduced by Senator Carlson, and will help Nebraska move forward in addressing the long-term funding needs related to managing the state's water resources. Members of the Task Force include the NRC members and 11 people appointed by Governor Heineman. Knutson said that Olsson Associates had been hired as facilitator.

RC&D REPORTS

Loup Basin RC&D

Rasmussen said Loup Basin RC&D met in Ericson. The RC&D will have no booth at the State Fair because of increasing cost. The scrap tire pile is gone. Rasmussen also reported that the antique tractor parade will be from Taylor to Burwell and back. He said the next RC&D meeting will be in the Chalk Mine near Scotia.

PrairieLand

Gellermann reported that PrairieLand RC&D had not met. He said there was a tire collection in Platte Center and another one coming up in Albion.

Smith asked how the 4th of July holiday went at Davis Creek with added law enforcement. Koehlmoos said that Sheriff Casey Hurlburt was unable to be at the Board meeting, but he had received a report from the officer on patrol that things went well. Koehlmoos said he would invite Sheriff Hurlburt to speak at the August meeting.

ANNOUNCEMENTS

The Haskell Agricultural Laboratory in Concord will be having an open house/ field day to highlight some of the projects and programs they are involved with.

Schultz said he would run photos of the trail construction.

ADJOURNMENT

With no further business before the Board, Chairman Kruse declared the meeting adjourned at 6:57 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 22, 2013, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary