

LOWER LOUP NATURAL RESOURCES DISTRICT BOARD OF DIRECTORS MEETING

April 24, 2014

Ord, Nebraska

The April 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 April 24, 2014. 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
Virgil W. Gellermann
N. Richard Hadenfeldt
Thomas Knutson
Clifford P. Loseke
James C. Nelson
Gerald P. Smith

Rollie D. Amsberry, Treasurer
Timothy E. Bartak
James J. Eschliman
Michael P. Gutzmer
Randy Kauk
Gary A. Kruse, Chairman
Matt Lukasiewicz
Dean J. Rasmussen
Henry J. Thoene

Directors absent

Alan D. Petersen
Kim C. Walden

Darwin R. Sieh

Staff in attendance

Leon "Butch" Koehlmoos, General Manager
Irene F. Kreifels, Financial Secretary
Jason W. Moudry, Water Programs Specialist
Larry D. Schultz, I&E Coordinator
Anne Freeman, Program Secretary
Michael T. Lorenz, Agronomist, Fullerton

Russell G. Callan, Assistant General Manager
Rita A. Goldfish, Administrative Assistant
Cheryl K. Hornickel, Programs Assistant
Tylr D. Naprstek, Water Modeling Coordinator
Dell Harris, Water Resources Specialist

Guests in attendance

Ron Wolf, Twin Loups Irrig. Dist, Scotia
Tom Kruml, Ord

Mike Wells, Twin Loups Irrig. Dist, Scotia
Brandon Hanson, Scotia

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 said there were no modifications to the agenda.

Adams motioned, seconded by Anderson, 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

Due to inclement weather, the March 27th Board meeting was cancelled. Chairman Kruse asked for corrections and/or additions to the February 27, 2014, Board meeting minutes. Hearing none, Chairman Kruse ruled that the February 27, 2014, 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.

Chairman Kruse said that the buffer strip payments to James Adams and James Nelson would be considered in a separate motion. He said that both the March and April Treasurer’s Reports were included in the agenda. Koehlmoos highlighted the buffer strip payments and also payments made to JEO Consulting Group for the Clear Creek-Pibel Lake Watershed Management Plan and to Olsson Associates for the Pibel Lake renovation.

Eschliman asked if the payment to Loup Valleys RPPD for electric power construction at Davis Creek was in line with the budget. Callan responded that the cost was under budget because a lower kilowatt transformer was installed. Koehlmoos said that the payment listed was not the total charge. He said security lighting poles would be put up and additional wiring would be needed. Koehlmoos said that the Bureau of Reclamation has completed the environmental assessments for both the electrical lines and water lines. He said that BOR will be contributing \$15,000 toward the electrical project and \$25,000 toward the water project.

Rasmussen motioned, seconded by Eschliman, to approve the March and April, 2014, Treasurer’s Reports and pay all bills, excluding the buffer strip payments to James Adams and James Nelson. Motion carried by roll call vote, all present voting yes.

Smith motioned, seconded by Bartak, to approve the spring buffer strip payments to James Adams and James Nelson. Motion carried by roll call vote. Directors voting yes: Amsberry, Anderson, Bartak, Citta, Eschliman, Gellermann, Hadenfeldt, Kauk, Knutson, Kruse, Loseke, Lukasiewicz, Rasmussen, Smith, and Thoene. Directors abstaining: Adams and Nelson. Directors absent: Gutzmer, Petersen, Sieh, and Walden.

Adams commented that although the buffer strip payments are processed through the NRD, the funds come from the Department of Ag.

PUBLIC COMMENTS

Ron Wolf, Manager of the Twin Loups Irrigation District, said he received the Lower Loup NRD's winter newsletter and saw his name listed as having testified as a proponent of LB-1074. He said he did testify but added that the information presented in the newsletter that *"All argued that groundwater irrigation needs to be shut down to benefit surface water users and argued for the need to shut down groundwater irrigation until all surface appropriations are made whole,"* was incorrect and nonfactual. He said he reviewed the testimony and told the Board he did not make those statements. Wolf said he would appreciate seeing a correction in the next newsletter.

Koehlmoos responded to Wolf that he agreed the word *"all"* might not have been the best choice of wording and that the word *"most"* might have been more appropriate, but *"the need to shut down groundwater irrigation"* was part of the legislation to minimize the effects on surface water flows so, as a proponent, it could be argued that his testimony was to condone shutting down groundwater irrigation. Koehlmoos said he would concede on the word *"all"* in Wolf's argument, but he would stand by everything else in the article and would not print a retraction unless told to do so by the Board.

FORESTER'S REPORT

Koehlmoos said that District Forester Rich Woollen was with the Girl Scouts group planting a tree for Arbor Day. Koehlmoos reported that the tree planting crews are busy. Tree sales were up.

NRCS REPORT

There was no report.

INFORMATION AND EDUCATION REPORT

State Envirothon

Information & Education Coordinator Larry Schultz reported that the State Envirothon Contest would be held at the Crane Trust Center near Alda on May 3rd. He said the team from Fullerton High School would be competing for the first time.

Children's Groundwater Festival

Schultz said that the Children's Groundwater Festival for 4th graders will be held on May 13th at College Park in Grand Island. He will lead a session called *Water Drop Relay* which teaches about the water cycle.

Schultz said that he and Woollen would be at the St. Paul Elementary School tomorrow to plant a tree on the school grounds for Arbor Day. Then, on the 28th, they would meet with Ord 4th graders to plant a tree on the east side of Auble's Pond.

Schultz said that he recently led the *Water Drop Relay* session at a water festival sponsored by the Upper Elkhorn NRD.

Quarterly I&E Meeting

Schultz reported that he attended the recent quarterly I&E meeting in North Platte. The group visited the N-CORPE project.

Schultz said the NRD shirts have arrived and some have been distributed.

Schultz said the new website should be operational very soon. A few corrections will be made to the site before it is launched. One of the features will be the ability to order trees online.

2014 SWL REPORT

Assistant General Manager Russell Callan presented a powerpoint of graphs and maps pertaining to the 2014 Spring Static Water Level Report. He said the District-wide water level average was down 0.06 of a foot. He said there are three areas in the southwest part of the District that showed the biggest declines. He said the Water Resources Committee is going to move forward with an RFP to get a water management plan done for the South Loup River, which does not include Mud Creek. Callan said there were also a couple areas of decline around Columbus. Callan said that 362 wells are tested across the District.

ASSISTANT MANAGER'S REPORT

Variance Committee

Assistant General Manager Russell Callan said that the minutes of the meeting were included in the Supplemental Agenda.

Marvin Dugan

Callan reported that Marvin Dugan's request to develop new irrigation in the Greeley Wellhead Protection Area was heard for the first time. Callan said that no new acres can be developed in a wellhead protection area.

Stevenson/Hickman

Callan reported that Jerry Hickman wanted to relinquish private surface water rights and convert it to groundwater use. Hickman then wants to transfer the 53.9 acres to another piece of property that is being served by water from the Farwell Irrigation District. Callan said that groundwater acres would not be increased. Lukasiewicz said the landowner is wanting acres to complete a pivot circle.

Knutson motioned, seconded by Kauk, that a variance be granted to allow the relinquishment of Jerry Hickman's surface water rights in exchange for groundwater irrigated acres. Motion carried by roll call vote, all present voting yes.

Mattson Enterprises (Victor Rasmussen)

Callan said that Victor Rasmussen wants to transfer some irrigated acres across the NRD boundary into Central Platte NRD. Callan said there were some history issues regarding the acres. He said that Central Platte NRD had been contacted and gave preliminary approval for the move. Callan said that Rasmussen would relinquish 32 irrigated acres in the Lower Loup NRD to transfer and irrigate 12 acres in the Central Platte NRD.

Citta motioned, seconded by Hadenfeldt, to approve the variance request to allow the transfer of 12 irrigated acres into the Central Platte NRD and the relinquishment of 32 irrigated acres in the Lower Loup NRD. Motion carried by roll call vote, all present voting yes.

Water Resources Committee

Callan said that the March and April Water Resources Committee minutes were both included in the agenda. He said no recommendations were made at the March Committee meeting.

2014 SWL Report

Koehlmoos said that the 2014 report needs to be adopted into the record.

Thoene motioned, seconded by Loseke, to approve the 2014 Spring Static Water Level Report. Motion carried by roll call vote, all present voting yes.

New Irrigated Development

Callan said that it was time to decide whether or not to allow new irrigated acres development in the NRD. He said the Committee looked at the static water level report; where the NRD is at in the Voluntary Integrated Management Plan; and the basin plan. He said the NRD is in the process of gathering a lot of information and it was the recommendation of the Committee to not allow new development in the coming year.

Adams motioned, seconded by Thoene, that no new irrigation development be allowed in the Lower Loup NRD for 2015.

Kauk commented that he thought the recommendation was a good one because of what the trend lines were showing in the SWL report. Adams said the Committee also discussed areas of rising water tables and said staff was going to study those areas to see if more acres might be allowed in those areas at some point in the future to prevent the areas from becoming flooded.

Motion carried by roll call vote. Directors voting yes: Adams, Amsberry, Anderson, Citta, Eschliman, Gellermann, Gutzmer, Hadenfeldt, Kauk, Knutson, Kruse, Loseke, Lukasiwicz, Nelson, Rasmussen, Smith, and Thoene. Director voting no: Bartak. Directors absent: Petersen, Sieh, and Walden.

Voluntary Integrated Management Plan Progress

Callan said staff met with DNR to get the process started.

Area 28 Check Valves

Callan reported that the Department of Health requires a check valve on all new installations or modifications of groundwater pumping equipment. Callan said the cost of a check valve could be as high as \$600. He said the Committee recommends that the check valve be a reimbursable item in the flowmeter cost-share program.

There was discussion regarding what the maximum cost-share amount should be for a flowmeter, flow conditioner, and check valve. The maximum was originally set at \$2,000. Callan said that not every well would need a flow conditioner. Callan commented if a flow conditioner was included, perhaps the cost-share amount could be raised to \$2,200.

Thoene motioned, seconded by Smith, that check valves be added to the flowmeter cost-share program, not to exceed \$2,000 cost-share for each installation, covering the flowmeter, any conditioning equipment, and the check valve. Motion carried by roll call vote, all present voting yes.

Area 28 Flowmeter Update

Callan reported that approximately 180 applications have been sent in.

Mag Meters

Callan said the Committee had a demonstration on magnetic meters and had decided not to recommend adding them to the approved meter list.

Area 28 Activities

Callan said that Mike Lorenz has been busy getting the annual reports put together. He said there might be only a couple violations.

PROGRAMS/PROJECTS COMMITTEE REPORT

Jim Reilly Proposal

Koehlmoos said that Jim Reilly's request for a transfer had been turned down. Koehlmoos and Reilly then discussed the possibility of Reilly selling his two quarters of land to the NRD. Reilly proposed a purchase price of \$550,000 for the property, with the condition that he retain the irrigation equipment and irrigation rights. Koehlmoos said staff wasn't sure what to do with the land, if purchased, so he had no recommendation to give the Committee. The fields have steep slopes and hillsides that create problems with erosion and water runoff. Koehlmoos said the land could possibly be planted back to grass and either developed into a wildlife habitat area, or put a conservation easement on the property and sell it to an interested party who would retain it as pasture and not turn it back to irrigation.

Eschliman motioned, seconded by Rasmussen, to reject the proposal from Jim Reilly to purchase his Valley County property for \$550,000. Motion carried by roll call vote, all present voting yes.

Eugene Bredthauer Dam

Eschliman said he thought that it would be a good thing to help Eugene Bredthauer replace his farm dam, but Bredthauer is unwilling to allow the NRD access to the property. Koehlmoos said that engineers have looked at the property and Bredthauer had some dollar figures for rebuilding. Thoene asked if there was cost-share offered, would it be based on flood control. Koehlmoos responded that the permit would allow that that dam be put back to its original condition and that wouldn't provide much flood control or storage capabilities. He said it could maybe be used for stream augmentation or recreation, but Bredthauer wanted to maintain the water level for fisheries and not allow public access.

Thoene wondered how the high water table in the Mira Valley area might affect the dam. He said water storage is high on the NRD's priority list. He said he would like discussion to continue on the issue in the future.

Lukasiewicz asked if a public hearing would need to be held for the stream augmentation process on the South Loup Project, due to the passage of LB-1098. Koehlmoos answered that the amendment to LB-1098 requires a public hearing.

Ben Wheeler, Prescribed Burn Task Force

Eschliman said that Ben Wheeler had addressed the Committee to request \$500 per year for the task force to hold education workshops for landowners prior to a prescribed burn. Wheeler had said that the task force no longer provides equipment for the burns because of high insurance costs.

Eschliman motioned, seconded by Gutzmer, to provide an annual \$500 donation, beginning in FY-2015, to the Prescribed Burn Task Force to implement educational programs. Motion carried by roll call vote, all present voting yes.

Davis Creek Restroom Doors

Eschliman reported that doors need to be put on the three restrooms at Davis Creek because trash, leaves, and grass blow through the openings. He said the contractor's bid came in higher than expected because the doorways are an irregular size and would require custom-made doors.

Eschliman motioned, seconded by Knutson, to seek bids on the three sets of restrooms at Davis Creek Recreation Area. Motion carried by roll call vote, all present voting yes.

Smith motioned to amend the original motion to state that the bids be for a standard sized door with custom framing and be handicap accessible.

Callan stated that a standard sized door can't be fit in because many of them are about 1½" too short, so that's why a custom door needs to be made. He said the motion for a "standard door" would need to be modified.

Smith withdrew his motion to amend.

Lukasiewicz asked about the feasibility of rebuilding the entire structure, wondering if that would be cheaper than redoing just the doors. Callan said that replacing the entire restroom would be about \$30,000.

Motion carried by roll call vote, all present voting yes.

Playground Equipment and Picnic Shelters at Davis Creek and Pibel Lake

Eschliman reported that the Committee discussed additional picnic shelters at Davis Creek near the boat ramp and a picnic area for Pibel Lake, signs, and playground equipment.

Koehlmoos said that staff was directed by the Committee to pursue grants from the Nebraska Game and Parks Commission for amenities at Davis Creek and Pibel Lake.

Hadenfeldt said a patron of Davis Creek had approached him and asked if the parking area would be increased around the boat dock. Callan said that, during busy holidays, boats are brought in, but there is no place to park the trailers because campers are parked in the boat dock area. The goal is to add a larger camping area to hopefully keep the campers out of the boat dock area.

Spalding Dam Fish Ladder

Eschliman said the Committee talked about the Spalding Dam fish ladder. It had been reported that the Village of Spalding would likely be unable to provide any financial assistance, but Koehlmoos said the village had applied for grants from the Nebraska Game & Parks Commission and the Environmental Trust Fund and received some funding.

Ord Swimming Pool

Koehlmoos reported that the “Let’s Make a Splash” committee had made a couple of presentations to the Programs/Projects Committee seeking financial assistance for a new city swimming pool in Ord. He said there was a leak in the old pool that had allowed 1.5 million gallons of water to leak out last summer. Koehlmoos said it was a \$2.5 million project and the “Let’s Make a Splash” committee was requesting \$20,000 for landscaping costs. Kauk said the City of Ord had already raised a considerable amount of money toward the pool project.

Rasmussen motioned, seconded by Anderson, to donate \$20,000 to the Ord Swimming Pool project, first to fund landscaping and shelters, and any remainder being used for pool construction. Motion carried by roll call vote, all present voting yes.

Sherman Lake Dam Repairs

Koehlmoos reported that Lukasiewicz had presented bills for the repair work on the Sherman Lake Dam. He also had photos of the bank stabilization work which were viewed by the Board.

Platte County Roads Department Road Structure

Koehlmoos said there was the possibility of a road structure head-cut project in the Platte County area. It is under design at the present time.

Davis Creek Electrical Lines and Water Lines/BOR Grant

Koehlmoos reported that the electrical lines are coming along. He said that NRCS is going to take a look at designing a water system for the recreation area. He said that Bob Atcheson with NRCS was going to donate some time to put some specs together and the Bureau of Reclamation was going to grant up to \$25,000 for the project.

Excess Equipment Brochure

Koehlmoos said an example brochure had been viewed by the Committee and staff was continuing to work on it.

Drill/Gopher Getter Rental Fees

Koehlmoos said the Lower Loup NRD is no longer is the bait business because of liability, but are still renting the gopher getters at \$10.00 per day. He said the NRD still rents out no-till drills, but doesn’t sell much seed. He said drill prices were \$6.00 per acre if seed was purchased from the NRD; \$8.00 per acre if seed was purchased elsewhere. The Committee decided to raise the gopher getter rental to \$25.00 per day and no-till drill rental to \$12.00 per acre to help offset repairs and labor.

Eschliman motioned, seconded by Loseke, to increase the rental rates for the no-till grass drills to \$12.00 per acre and the gopher machines to \$25.00 per day. Motion carried by roll call vote, all present voting yes.

Signage

Koehlmoos said that the Headquarters sign by the highway was looking bad and in need of replacement. He said the Nebraska Department of Roads had indicated the current sign could not be replaced in its present location because it was on city right-of-way. An easement would need to be obtained from either the Christian Church or Airport Motel for a portion of land to put an NRD sign up. After discussing the matter with Louis Quattrocchi, owner of the Airport Motel, he indicated that the NRD could place its sign below the motel sign.

Signage was also discussed by the Committee for Pibel Lake, Davis Creek, the Aagaard Farm, and the Arboretum. Tentative prices have been obtained and designs will be put together.

LB-1074 AND AM-2360, SENATOR LATHROP INTERVIEW, AND LLNRD MANAGER'S ARTICLES AND HEARING TESTIMONY

Koehlmoos reported that there had been a lot of legislation introduced and debated the last couple of months regarding water issues. He highlighted LB-1098, which was Senator Carlson's bill on the recommendation from the Water Funding Task Force that he sponsored; and Senator Lathrop's bill, LB-1074, which dealt with changing provisions relating to the regulation of groundwater. Koehlmoos said he testified in Lincoln on the amendment to LB-1074 and said his testimony was included in the agenda, along with articles he wrote on the bills.

Lukasiewicz said he had met with the Executive Committee to discuss his concerns regarding the language of the legislation.

Chairman Kruse said a lot of information and comments were presented regarding the water bills, and although things move quickly in the Legislature, he hopes that processes can be established to get more review by the Board as the NRD moves forward in its water conservation efforts.

MANAGER'S REPORT

Presentation from Society of Range Management

Koehlmoos reported that Daryl Cisney, Chairman of the State Range Committee and Society of Range Management, had traveled to Ord through the snowstorm last month to present Schultz with an award for all the work he has done with range judging contests over the years. The award was shown to the Board.

Proposed Rule on 'Waters of the U.S.' by Corps of Engineers and EPA

Koehlmoos said the COE and EPA are attempting to modify their 'navigable waters' to 'waters of the U.S.' He said it's going to involve a lot more territory and narrow the scope of what's going to be allowed without a 404 permit and permission from the federal government as far as projects and/or modifications to drainages are concerned. He said dry ditches are now going to be considered part of the tributaries to navigable waters. Koehlmoos said there is a period of comment regarding these possible modifications and wondered if the Board would be making comments.

Loseke said this is an important issue and Koehlmoos commented that he felt it was an infringement on private rights; NRDs and landowners will both be affected.

Citta said there was significant language on expanding the definition of ‘waters of the U.S.’ He said the proposed rule talks about what is waters of the U.S. versus isolated waters that are not jurisdictional by the Corps or EPA. The proposed rule also talks about waters that are in ‘close proximity’ to waters of the U.S. Citta said comments are wanted on certain ecosystems across the U.S., including the Sandhills, which is approximately 19,000 square miles.

Gutzmer said the new definition could even apply to manmade road ditches that have become wetlands.

Legislation

Koehlmoos said the final version of LB-1098 was included in the agenda.

New Hires

Koehlmoos said there were no new hires.

NARD REPORT

Director’s Report

Rasmussen said he was unable to attend the NARD meeting. Anderson reported that there was an Executive Session to reevaluate NARD staff wages. He said they were concerned about the election and spent a lot of time with the Legislative Committee regarding LB-1074.

NRC REPORT

Commissioner’s Report

Hadenfeldt said the NRC will soon consist of 27 members instead of 16. The next meeting will be in June. Knutson said that NRC has received \$10M for old projects and \$20M for new projects.

Lukasiewicz asked how the process works to be appointed to the NRC and wondered if the 14 members that will be appointed by the governor would possibly be ‘new’ people who weren’t on the task force. Hadenfeldt answered that if someone wants to be considered for an appointment, the person would need to fill out an application. He said that 13 members are elected by the NRDs, but don’t need to be NRD directors; and 14 members appointed by the governor.

RC&D REPORTS

Loup Basin RC&D

Rasmussen told the Board that Loup Basin RC&D had met twice. He said an employee from SubConn, Inc. in Burwell gave an interesting talk. The worldwide company has supplied a range of underwater pluggable electrical connectors to underwater industries for over 30 years, including the army and the space shuttle. The company employs 72 people and is looking for more. Rasmussen said the second meeting was at the Oak Ridge Farms Hydroponics lettuce factory northeast of Ord. He said the tour was interesting. About 98-100 heads of lettuce are grown every 6 weeks.

PrairieLand RC&D

Gellermann reported that the kids who were doing the Shell Creek water studies gave their report at Platte College recently. He said they're doing a great job and things are looking good at Shell Creek. He mentioned catfish are now being caught in Shell Creek. He said PrairieLand is looking for projects, and they have a gal who would write the grants.

DISCUSSION OF LEGAL PROCEEDINGS – PROKOP CASE

Citta motioned, seconded by Eschliman, to go into Executive Session to discuss litigation in the Robert J. Prokop case, inviting General Manager Koehlmoos, Assistant General Manager Callan, and attorneys Kruml and Hanson to attend. Motion carried by roll call vote, all present voting yes.

The Board went into Executive Session at 7:06 p.m.

The Board came out of Executive Session at 7:33 p.m. and continued with the regular meeting in Open Session.

ANNOUNCEMENTS

Koehlmoos announced that the next Water Resources Committee meeting is planned for May 13th at 10:00 a.m. at the Headquarters office. The Programs/Projects Committee will meet May 15th at 10:00 a.m.

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 a newspaper in each county within the District. The next Board of Directors meeting will be held Thursday, May 22, 2014, at 5:00 p.m., at the Headquarters Office in Ord, Nebraska.

Darwin B. Anderson
Secretary