

**NORTH PLATTE NATURAL RESOURCES
DISTRICT BOARD OF DIRECTORS
MEETING
February 11, 2016**

The regular meeting of the North Platte Natural Resources District Board of Directors was called to order at 3:00 p.m. MDT, February 11, 2016, by Kent Andreas at the North Platte NRD conference room, 100547 Airport Road, Scottsbluff, Nebraska. Notice of the meeting was given to the public by publishing a legal notice in the February 4, 2016, Scottsbluff *Star-Herald*. Andreas informed meeting attendees that this meeting would be conducted in accordance with the Open Meetings Act, a copy of which is posted in the meeting room for public inspection.

Board members present: Kent Andreas, Gary Darnall, Roger Eirich, Chuck Henkel, Dave Ostdiek, Pete Lapaseotes, and Dan Weinreis. Absent: Dave Deines and Gerald Dillman. Others present: John Berge, Tracy Zayac, Scott Schaneman, Kyle Ann Hopkins, Dave Wolf, Barb Cross, Carolyn Hudson, Travis Preston, and Roy Lyles, NPNRD staff; Georgette Jordening, NRCS; Bob Smith, Platte River Basin Environments; and Thad Kuntz, Adaptive Resources, Inc.

The following items of informational material were made available to the Directors electronically prior to the Board Meeting:

1. Meeting Notice
2. Agenda
3. Minutes, North Platte Natural Resources District, Board of Directors Meeting, January 14, 2016.
4. Treasurer's Report (Preliminary)

The following items were provided to the Directors at the Board Meeting:

1. Agenda
2. Minutes, North Platte Natural Resources District, Board of Directors Meeting, January 14, 2016.
3. Treasurer's Report
4. Manager's Report
5. Director's Organization Update
6. Minutes, North Platte Natural Resources District, Water Resources Subcommittee, February 8, 2016.
7. Easement and Indemnity Agreement, between Platte River Basin Environment Inc., and majority shareholder of Bead Mountain Ranch, Inc., and the North Platte Natural Resources District.
8. Project Agreement between IdeaBank Marketing, and the North Platte Natural Resources District, to develop a Website for the NPNRD, improving design, providing organization, and added features.
9. Rural Housing Development Map west of Bead Mountain.
10. Letter from Galen Wittrock, South Platte Natural Resources District, regarding 10-138-3 Preserving CRP Grassland Benefits in Western Nebraska, dated February 4, 2016.

3. Approval of Minutes of Previous Meetings

The Board reviewed the minutes of the January 14, 2016, regular Board meeting.

Moved by Weinreis, seconded by Darnall, to approve the minutes of the January 14, 2016, regular Board meeting. Motion passed.

Ayes: Andreas, Eirich, Henkel, Lapaseotes, Ostdiek, Weinreis, Darnall

Nay: None

Abstain: None

Absent: Deines, Dillman

4. Treasurer's Report and Accounts Payable

Dave Ostdiek reviewed the Treasurer's report with the Board. Moved by Lapaseotes, seconded by Henkel, to accept the Treasurer's report and pay the bills as listed. Motion passed.

Ayes: Andreas, Eirich, Henkel, Lapaseotes, Ostdiek, Weinreis, Darnall

Nay: None

Abstain: None

Absent: Deines, Dillman

5. Comments from the Public

There were no comments from the public.

6. Manager's Report

Berge reported on the retirements of Dallas Johannsen, District Conservationist for NRCS, and Roy Lyles. He also reported the passing of Charlie Fenster. Fenster was a pioneer in dryland no-till practices and was an advocate for agriculture. The District has replaced Dan Ruterbories with Lynn Ockiki as a Water Technician in the Water Department. Lynn will be working primarily with Carolyn Hudson on Water Quality and Levels. Craig Uhrig has shifted to the Water Quantity side of the Department though will continue to work on

Chemigation inspections.

We are revamping our budgeting process slightly to ensure staff requests are appropriately vetted before we take them to the Budget and Personnel Subcommittee. Jackie Bishop, Barb Cross, Paula Kithlau and Berge are working on that process and will be following up with that committee soon. Cross has agreed to take on the role of setting agendas and schedules for the District's subcommittees so that we can get some much needed work done this year. She and/or Renay Smith will be in touch with committee members in the coming weeks about upcoming meeting schedules and agendas. Andreas has asked that Berge task Steve Smith with developing guidelines for Board Members to ensure that there are uniform policies that the Board will be expected to abide by. Smith and Berge have had a preliminary conversation, and will continue that for the next several weeks to ensure we are developing what the Board may need. This will be more important as we see new members of the Board in the future. Andreas appointed members to committees, and a listing for reference is in your packet tabbed item 6e.

Berge will sign the comingled lease agreement with Beth Everett on her 89.1 acres on Minatare Canal Company in the coming weeks. We have worked out all ownership issues and have a strategy for utilizing the diversion and maintaining the diversion for the landowner. We have ordered 231 telemetry units from AMCi MeterEye for installation in the North Platte NRD. These units cost \$331,000. NPNRD will receive a reimbursement of \$250,000 under a grant received through

the Department of Natural Resources Data Access Monitoring Program (DAMP) ILCA. Installation of these devices will commence upon delivery. During the sign up period, we received 16 applications total for the Encouraging Producer Innovation through Conservation and 10/30 programs with the vast majority of acres, numbering near 5,000 applying for allocation buy-back.

An internal working group of staff members has been working to name stakeholders to the IMP and BWP processes. As the Board knows, we are embarking on a renewal of both of these plans this year and will require input from stakeholders. We are contacting potential stakeholders about participation now. We continue to work with the City of Oshkosh to develop a suitable mitigation plan for their new depletion point on Blue Creek for their municipal well field. This has been an arduous process, but we are closing in on a suitable plan. Tracy Zayac, Scott Schaneman, Cross and Berge have asked Thad Kuntz to develop some presentations related to reporting on our management outcomes on an annual basis and to show trends over time. In addition, Thad will do some predictor analyses on potential management for the future. For example, if we were to do x with a set of variables, what is the result, etc.

Nearly 900 Water Use Reports are in the queue to be mailed to landowners now. We have several outliers for both 2014 and 2015 that need to be investigated further - nearly 70 for 2014 and nearly 100 for 2015. We have about 30 WUR that have a quality check issue, and several that Kyle Ann Hopkins and Schaneman are working on that are possible no meter locations. These numbers do not include

feedlots, aquaculture, exemptions or retirements. We will be sending a letter to landowners advising them of the changes that we made to the flow meter maintenance fees at the last Board meeting.

Several Staff participated in the KNEB Farm and Ranch Show February 5 and 6 at the Mitchell Events Center. He spoke to the Michigan Water Symposium at the Michigan Agribusiness Association Annual Conference in January. Berge also spoke at the Four States Irrigation Council Annual Meeting in Ft. Collins in mid-January about our water management techniques being implemented at the North Platte NRD.

We hosted a producer meeting for every county that we cover, and had excellent turnout and great conversations with producers. We spoke with nearly 100 landowners over the course of a few days, and will look to expand those discussions even more next year, perhaps with media coverage as well. I will be speaking to the Nebraska Sugarbeet Growers Association on February 16th. The Annual No-Till Conference is February 23-24 at the Gering Civic Center. As a primary member of the No-Till Partnership, we assist in the hosting and coordination of that event each year. Board Members are welcome to attend.

7. Legislative Preview

Berge briefly explained LB 714. This bill was introduced by Senator John Stinner and would add local conservation programs to a list that will allow for surface water appropriators to lease their water rights for up to 15 years instead of the five years they are currently allowed without losing their appropriation. Due to the short

legislative session, Sen. Stinner is hoping it will be approved for the consent calendar, which will greatly increase its chance of being signed into law. Berge reported that there were several bills introduced that dealt with property taxes and land valuations. The District also provided opposition testimony to LB 958 which was introduced on behalf of the Governor. The bill would limit the ability of local governments raise funds and would limit spending. We are still waiting to see a draft on LB 1038, which would deal with the purposed purchase of Spencer Dam water rights by Nebraska Game and Parks and the Niobrara NRDs.

8. Report from Water Resources Committee

The Water Resources Committee met on Monday, Feb 8th and reviewed a request from Monte Lerwick to move certified irrigated acres from the North end of his farm to the South end of the farm. The discussion was tabled until options for variance rules could be considered. A request from Judy Beckmark to certify 255.5 acres as irrigated ground water acres was denied due to the fact that no documentation of a previous certification could be provided by the producer. All agenda items under Rules changes such as variances and FA/OA areas died due to a lack of motion. The staff will develop recommendations for consideration at a WRC meeting to be held at the end of March. The committee is asking for recommendations from other board members on rule changes that they would like to see considered. Updates on Seametrics and Telemetry were discussed.

9. Consideration of Bead Mountain Ranch, Inc. Easement and Indemnity Agreement

Bob Smith from Platte River Basin Environments (PRBE) explained that they

have applied for the Federal Agricultural Land Easement Program through NRCS to stop development in the Wildcat Hills. Agriculture practices would still be allowed. They have scored very high, but the application could not be approved. They did not have the required co-holder. They approached the District to be a co-holder. The purpose of the grant is conservation and that fits our mission. The District would not be required to provide any funding nor are they liable if an injury or disaster were to occur.

Moved by Ostdiek, seconded by Weinreis, to approve the Easement and Indemnity agreement with Platte River Basin Environment, Inc. Motion passed.

Ayes: Andreas, Eirich, Henkel, Lapaseotes, Ostdiek, Weinreis

Nay: None

Abstain: Darnall

Absent: Deines, Dillman

10. Consideration of Ideabank Proposal for Website Development

The District's website is pretty plain, and with the recent technological advances the NRD has made, an update is needed. Staff has researched Nebraska companies, and Ideabank Marketing out of Hastings was highly recommended. Staff would recommend the board approve the proposal with Ideabank. Moved by Henkel, seconded by Eirich to approve the proposal from Ideabank Marketing for the amount of \$10,057.00 for the development of a new website. Motion passed.

Ayes: Andreas, Eirich, Henkel, Lapaseotes, Ostdiek, Weinreis, Darnall

Nay: None

Abstain: None

Absent: Deines, Dillman

11. Consideration of Transferring Project Sinking Fund Certificate 27466 in the Amount of \$58,876.41, Currently Held at First State Bank to a Certificate of Deposit at Valley Bank

After reviewing the District banking practices, we have accounts at First State Bank and Platte Valley Bank. In order to support our local banks, Berge has asked the Board to approve transfer Project Sinking Fund Certificate 27466, in the amount of \$58,876.41 from First State Bank to Valley Bank after it expires March 20th. The funds in question are usually not touched and are only utilized in case of emergencies. Moved by Henkel, seconded by Ostdiek to transfer Project Sinking Fund Certificate 27466, in the amount of \$58,876.41 from First State Bank to Valley Bank after it expires March 20th. Motion passed.

Ayes: Andreas, Deines, Eirich, Ostdiek, Weinreis, Darnall

Nay: None

Abstain: Lapaseotes

Absent: Dillman, Henkel

12. Consideration of Interlocal Cooperative Agreement “Preserving Grassland Benefits” Nebraska Environmental Trust Resolution

The agreement started five years ago, and staff would like to extended it to June 30, 2017. There are still funds in the account, and more time is needed to utilize the funds. The Nebraska Environmental Trust has already approved to the extension. Moved by

Darnall, seconded by Eirich to approve the extension of the Interlocal Cooperative Agreement “Preserving Grassland Benefits” with the Nebraska Environmental Trust.

Motion passed.

Ayes: Andreas, Deines, Eirich, Lapaseotes, Ostdiek, Weinreis, Darnall

Nay: None

Abstain: None

Absent: Dillman, Henkel

13. Staff Spotlight: Scott Schaneman

Scott Schaneman started eight years ago as a water technician. He transferred to flow meter maintenance, then to water quality, and now is the supervisor of the water department. He has learned a lot and has had a lot of fun. Scott has a farm four miles east of the office. Scott and his wife Becky have two children, both involved in agriculture.

14. Adjourn

Moved by Lapaseotes, seconded by Eirich, to adjourn at 3:54 p.m., MDT.

Motion passed.

Ayes: Andreas, Eirich, Henkel, Lapaseotes, Ostdiek, Weinreis, Darnall

Nay: None

Abstain: None

Absent: Deines, Dillman