

**NORTH PLATTE NATURAL RESOURCES
DISTRICT BOARD OF DIRECTORS MEETING**

June 8, 2017

The regular meeting of the North Platte Natural Resources District (NRD) Board of Directors was called to order at 3:00 p.m. MDT, June 8, 2017 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 June 1, 2017, 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, and Pete Lapaseotes. Absent: Dave Deines, Gerald Dillman, Dave Ostdiek, and Dan Weinreis. Others present: John Berge, Barb Cross, Tracy Zayac, Lydia Hanson, and Dave Wolf, NPNRD staff; Thad Kuntz, Adaptive Resources, Inc, and Sarah Grey; Natural Resource Conservation Service; and Nate Fox, League Association of Risk Management (LARM).

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

1. Meeting Notice
2. Agenda (Draft)
3. Minutes, North Platte Natural Resources District, Board of Directors Meeting, May 11, 2017.

4. Treasurer's Report

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, May 11, 2017.
3. Treasurer's Report
4. Manager's Report
5. Revised Certification Form
6. Inspro Insurance Summary
7. Larm Insurance Summary.

3. Approval of Minutes of Previous Meetings

The Board reviewed the minutes of the May 11, 2017, regular Board meeting. Moved by Eirich, seconded by Henkel, to approve the minutes of the May 11, 2017, regular Board meeting.
Motion passed.

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

Nay: None

Abstain: None

Absent: Deines, Dillman, Ostdiek, Weinreis

4. Treasurer's Report and Accounts Payable

John Berge reviewed the Treasurer's report. Moved by Henkel, seconded by Darnall, to

accept the Treasurer's report and pay the bills as listed. Motion passed.

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

Nay: None

Abstain: None

Absent: Deines, Dillman, Ostdiek, Weinreis

5. Comments from the Public

No comments from the public.

6. Manager's Report

Berge reported the City of Oshkosh well permits and transfer permits for the new wellfield have been executed. The City was very fortunate that District could negotiate an agreement with a local land owner to mitigate their offset to Blue Creek for the new wellfield. The variance request that was submitted by the City has been withdrawn.

The Basin-Wide planning meeting was attended by Barb Cross and Tracy Zayac on May 17th. It went very well. The individual stakeholders and the managers were asked to present their thoughts on the economic viability and water use vulnerability of the basin. Cross discussed that our total dollars spent on management activities from 2008 – 2017 was \$5,595,500. Staff hours on groundwater management activities was 87,809 with a total in wages of \$2,415,846 during that period. It was pointed out that with new groundwater management activities, the District would spend an additional 2 million this year and 1.5 million next year. The amount that was previously used does not include grant dollars, cost

share dollars or water quality funds. From 2009 through 2019, the NRD has credited 140,000 acre feet of water to the river with an additional 6818 acre feet from retirements and 60,000 acre feet from excess flows. It was reinforced that it costs money to meet the District's obligations under our IMP. One of the main points that came out of the comments from stakeholders from the other NRD's involved, was that they have never been short of water. South Platte NRD stakeholders and our stakeholders were the only ones who said that they had experienced a shortage of water.

Staff has been working on finalizing a budget for the greenhouse project, and they will be touring both the existing and new geo-thermal greenhouse's in Alliance on Monday, June 12th. Russ Finch, owner of Greenhouse in the Snow, will be updating the costs for both materials and labor for construction. The grant submissions to NET are due by the first week in September, and the District would like to be able to finalize and submit our request by the first week in August. Competitive bids have been obtained for the greenhouse materials and construction. Obtaining matching funds for the budget portion of the grant is currently being discussed.

The Budget Committee met on June 1st to review the preliminary figures for the 2018 budget. The main talking points for line items showed that cumulative general fund expenses have decreased over \$585,000 in comparison to the budgeted amount for last year. One of the major reductions is under Special Projects with the total line items saving over \$1,000,000. Other areas showed some increases as an additional \$100,000 was added

to the contingency fund for the Yensen Drain for necessary repairs.

Also, telemetry data collection costs increased by nearly \$30,000 and the server replacement will cost \$16,000. The NRD will have a carryforward of nearly \$1,400,000. A budget committee meeting will be scheduled in July to review updates.

Letters are currently being sent out to owners for an update of their current Certification Information. The last time that owners were asked to review and update our current information on ownership, operators, contact information, certification numbers, etc. was in 2013. Jackie Bishop has indicated that all letters should be mailed out by the beginning of next week. Contracts under the EPIC program have been finalized and, all but one is being presented in the treasury report for payment. The last contract's subordination agreement is still being reviewed by Farm Credit Service's legal department. Staff hopes to have it finalized within the next week.

7. Legislative Update

Berge reported that Senator John Stinner has introduced and the legislature approved LR210. The interim study will examine the financial health of political subdivisions due to the economic downturns most of the state has experienced the past couple of years. Berge has offered to help Stinner in any way we can, and he wants the legislature to know that the District might need a little help financially to meet our obligations if the downturn continues.

The Senator tour, scheduled for late July, has been cancelled due to concerns expressed during the session about the NRD budgets. Staff will try to talk to senators individually as we

travel the state for other obligations.

8. River Update/Excess Flows

Berge went over the water levels of the major reservoirs and snow pack percentages in the North Platte River Basin. They are looking very good and the snow pack is still above normal. The State of Nebraska, while working with Lake McConaughy and the Platte River Recovery, determined there will be no excess flows on the North Platte River this year. The water will be used for endangered species.

9. Drought Planning Update

Zayac reported that the last of the small group meetings have been held and a final planning committee has been chosen. The committee will then meet later in June to start the process of making the final recommendations to the Board for the consideration. Zayac will make the documents available to the Board and address any questions they might have.

10. Report from Budget and Personnel Committee

Berge provided the update from the Personnel committee. Nate Fox presented a bid from League Association of Risk Management (LARM). Berge also outlined the proposed changes to the FY2018 budget, and reported the general fund expenses have decreased over \$585,000 in comparison to the budgeted amount from the last fiscal year. Berge answered questions from the committee regarding the budget. The committee agreed to review the proposals and get back to him. The staff will provide a second draft by the end of June and set a meeting for the first part of July to go over the changes.

11. Consideration of Staff Recommendation on Insurance

Nate Fox presented a bid to provide the District with general liability, automotive, workman's compensation, and property insurance. LARM is an insurance pool, and its members are all public entities, which include municipalities and a couple of NRDs. Their bid was \$61,732 for a one year commitment. The bid goes down to 5% with a 3-year commitment. EMC is our current provider. No recommendation from the committee because they had not reviewed the bid from EMC at the time of their meeting. The staff recommended the Board approve the bid from LARM. Moved by Henkel, seconded by Eirich, to end the North Platte NRD's relationship with EMC and approve League Association of Risk Management's bid to provide the District insurance needs for a three-year commitment. Motion passed.

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

Nay: None

Abstain: None

Absent: Deines, Dillman, Ostdiek, Weinreis

Since LARM is a group of political subdivisions that have come together to provide inexpensive insurance, an interlocal agreement needs to be approved so the North Platte NRD can become a member. Moved by Henkel, seconded by Eirich, to approve the interlocal agreement with LARM. Motion passed.

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

Nay: None

Abstain: None

Absent: Deines, Dillman, Ostdiek, Weinreis

Along with the interlocal agreement, the NRD Board needs to approve the resolution from LARM. Moved by Eirich, seconded by Henkel, to approve resolution provided by LARM.

Motion passed.

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

Nay: None

Abstain: None

Absent: Deines, Dillman, Ostdiek, Weinreis

12. Adjourn

Moved by Darnall, seconded by Eirich, to adjourn at 3:50 p.m., MDT. Motion passed.

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

Nay: None

Abstain: None

Absent: Deines, Dillman, Ostdiek, Weinreis