

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

December 14, 2017

The regular meeting of the North Platte Natural Resources District (NRD) Board of Directors was called to order at 3:02 p.m. MDT, December 14, 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 December 7, 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, Dave Deines, Roger Eirich, Chuck Henkel, Pete Lapaseotes, Dave Ostdiek, and Dan Weinreis. Absent: Gerald Dillman. Others present: John Berge, Barb Cross, Tracy Zayac, Lydia Hendrickson, Kyle Ann Hopkins, Paula Kihlthau, Craig Uhrig, Jenifer Berge-Sauter, Jackie Bishop and David Wolf NPNRD staff; Sarah Gray, Natural Resources Conservation Service, Doug Mulay, Dana Cole & Company; Thad Kuntz, Adaptive Resources, Inc; Jesse Bradley and Melissa Mosher, Department of Natural Resources; and Robert Busch, Becky Estrada, Rick Preston, Rodney Schaneman, Dave Fisher, and Laurie Zitterkopf.

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

MAILING, December 7, 2017-

1. Meeting Notice
2. Agenda
3. Minutes, North Platte Natural Resources District, Board of Directors Meeting, November 9, 2017.
4. Minutes, North Platte Natural Resources District, District Operations Committee Meeting, November 30, 2017.
5. Minutes, North Platte Natural Resources District, Water Resources Committee Meeting, November 30, 2017.
6. 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, November 9, 2017.
3. Treasurer's Report
4. Manager's Report
5. Report on Preliminary Robust Review Goals and Model Simulation Setup for POAC, by Jesse Bradley, Department of Natural Resources.
6. Minutes, North Platte Natural Resources District, District Operations Committee Meeting, November 30, 2017.

7. Minutes, North Platte Natural Resources District, Water Resources Committee Meeting, November 30, 2017
8. North Platte Natural Resources District, Master Plan, prepared to meet the statutory requirements of Nebraska Revised Statute 2-3276.
9. Consideration of the North Platte Natural Resources District, Financial Statements of June 30, 2017.
10. Consideration of Re-organization of the North Platte Natural Resources District, Board of Directors, and Committees.

3. Approval of Minutes of Previous Meeting

The Board reviewed the minutes of the November 9, 2017, regular Board meeting.

Moved by Darnall, seconded by Henkel, to approve the minutes of the November 9, 2017, regular Board meeting. Motion passed.

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

Nay: None

Abstain: Eirich, Henkel

Absent: Dillman

4. Treasurer's Report and Accounts Payable

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

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

Nay: None

Abstain: Lapaseotes

Absent: Dillman

5. Comments from the Public

Dave Fischer commented on how he sent a letter to the Nebraska Department of Natural Resources explaining that LB962 (2004) and the District's Integrated Management Plan (IMP) are not needed because the area is already sending water downstream. He explained that DNR measures the consumptive use of water, but he believes that water is not consumed. The water escapes by evapotranspiration out of the plant and eventually makes it way east. He provided copies of his letter to the board.

Rick Preston, general Manager of the Gering Ft. Laramie Irrigation District, was on the Drought planning committee. He wants to make sure that the plan is carefully considered by the Board. The committee did a great job coming up with a great plan, and he believes that if we had this plan in place during the early 2000's, the drought would not have been as severe as it was.

Board Member Dave Ostdiek wanted to acknowledge the members of the drought planning committee for their time and efforts in drafting the plan.

6. Manager's Report

Berge reported Elizabeth Miller has resigned effective December 15th to explore new opportunities. The District has received an estimate from Capital Business Systems to perform our IT work, including a virtual CIO component. The potential with this would be much more predictability in cost, and reliable service. The current provider has been informed of the other proposal, and they, too, will be working on a proposal to address some of the District's concerns. The bottom line is that the current proposal from Capital Business Systems would cost approximately \$48,000 in comparison to the \$69,000 spent with Bytes last year. Staff is working with our former insurance carrier on some audit issues and cost differentials related to an audit from last year. The entire month of December is sign up for flex spending for employees.

Employees have participated in a food drive for CAPWN over the past several weeks and made an announcement prior to this meeting about the food being donated. Total amount of beans to be donated to CAPWN will be 7,000 pounds, 500 pounds of potatoes from Walther Farms and non-perishable food items donated by our staff that as of this writing, had not been weighted. Carolyn Hudson and Scott Schaneman will be working on a confined space protocol for working with the pit at Harrisburg Water System, and pits around the District at feedlots.

Elizabeth Miller completed her research and thesis on attitudes on water use and regulation. This document will be very helpful as the District proceeds into the

IMP negotiations next year and completion of the Basin Wide Plan. During recent discussions with the administrators of the Platte Basin Coalition, Berge suggested that the District might repurpose Water Resources Cash Fund dollars from conjunctive management projects on Minatare, Nine-Mile and Wrangler to the EPIC line item in the budget for allocation buy-downs.

Berge attended a meeting with the Upper Platte Basin managers to discuss the possibility of leasing storage water from reservoirs for beneficial uses, including intentional recharge. Though this doesn't work for the District, given the complexity of the system, it was interesting to hear the proposal for leasing of water from McConaughy.

Dave Deines, Dave Christian and Berge attended the Gering Valley Flood Control Permanent Maintenance Committee meeting on December 12. Berge also met with Xin Qiao, Irrigation Management Specialist with UNL to discuss opportunities for partnership on technology, irrigation timing and VRI applications. Several of us will be working on a white paper to formalize a proposal for partnership.

Diamond Rafter's landowner has successfully relinquished his surface water rights, and the District is now working with them to retire the remaining groundwater irrigated acres utilizing the Water Sustainability Fund grant.

Several staff and board members will be attending the Legislative Conference on January 23 and January 24 to discuss the legislative session and meet with Senators.

The major issues of the session will be budget and property tax reform. Berge will be meeting with the new Farm Bureau Grower Representative on January 16 to discuss water issues.

7. Greenhouse Update

Barb Cross updated the Board on the progress of the Greenhouse. The greenhouse is gaining not only state-wide interest, but national interest in what the District is doing. She is working with Jessica Groskopf at the UNL Extension to see if it can be a sustainable option for producers in our District. Cross has raised over \$70,000 in private donations and has also applied for an Environmental Trust grant to help with the construction costs.

8. Report on Upper Platte Basin Preliminary Model Evaluation of Post-1997

Groundwater Only Acres

Thad Kuntz reviewed the modeling for the Robust Review again for the Board touching on some of the figures that are used in the Western Water Use Management Model. He summarized the changes in the Post-1997 numbers and found that the District's groundwater management activities and programs have done a very good job helping the NRD meet its obligations for the IMP.

9. Report for the District Operations Committee and Water Resource Committee

Berge provide the report for both committees, since both committees discussed the drought plan. Both committees provided some edit suggestions to the plan and asked the staff to incorporate those changes into the plan and bring it back to them for review.

10. Strategic Planning

a. Implementation Plan

b. Master Plan

Berge reported the District's Master Plan, including an Implementation Plan, needs to be reworked, and it should be expanded to be a comprehensive strategic plan. Berge is asking for volunteers from the Board to help draft the plan, so staff has more Director input before it arrives at the committee meeting.

c. Consideration of Strategic Planning Committee

Moved by Weinries, seconded by Ostdiek, to approve the appointment of Pete Lapaseotes, Chuck Henkel, Dave Deines, and Roger Eirich to the North Platte NRD Strategic Planning Committee. Motion passed.

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

Nay: None

Abstain: None

Absent: Dillman

11. Consideration of Audit Report

Doug Melay explained their findings in the audit. On both the government activities side and business side, the accounting principles were fairly presented. The only deficiencies were the segregation of duties, the number of people that work on the accounting process and there were some uncollateralized bank accounts. The two

deficiencies have been common in past audits and mainly due to the relatively small size of the staff. Moved by Ostdiek, seconded by Henkel, to approve the FY 2017 Audit Report from Dana Cole Company. Motion passed.

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

Nay: None

Abstain: None

Absent: Dillman

12. Consideration of Reorganization

Gerald Dillman has decided to step down as NARD Representative. After inquiring if there are any volunteers, Andreas appointed Dave Ostdiek as the new representative and himself as the alternative. After some discussion, a motion was rescinded to keep the officers the same. The board will think about possible changes to the officers and will consider the changes, if any, at the January Board meeting.

13. Adjourn

Moved by Henkel, seconded by Eirich, to adjourn at 4:28 p.m., MDT. Motion passed.

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

Nay: None

Abstain: None

Absent: Eirich, Henkel