

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

April 12, 2018

The regular meeting of the North Platte Natural Resources District (NRD) Board of Directors was called to order at 3:00 p.m. MDT, April 12, 2018, 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 April 5, 2018, 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 Ryan Reuter. Absent: Dan Weinreis. Others present: John Berge, Barb Cross, Lydia Hendrickson, Kyle Ann Hopkins, and David Wolf, NPNRD staff; Thad Kuntz, Adaptive Resources, Inc; Sarah Gray, National Resource Conservation Service; Steve Smith, Simmons Olson; and Melissa Mosier, Nebraska Department of Natural Resources; and Robert Post, Banner County County Commissioner.

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

1. Meeting Notice
2. Agenda
3. 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, March 8, 2018.

3. Treasurer's Report
4. Manager's Report
5. Proposed Fiscal Year 2019 Budget Schedule.
6. Proposal from HDR Engineering Inc., for the 2nd Increment of the Integrated Management Plan Process.
7. Proposal from Consensus Building Institute, for the 2nd Increment of the Integrated Management Plan Process.
8. Proposal from Paul Reed Construction & Supply, Inc., for Construction of Infiltration Pits on the Schaneman Site on Enterprise, dated April 3, 2018.
9. Irrigation Project with the North Platte Natural Resources District, and the University of Nebraska for Evaluation of Different Irrigation Technologies for Crop Production.
10. Nebraska Forest Services Working White Paper Regarding Consideration of the Nebraska Forest Service Wood Utilization Component to Develop Projects and Programs to Illustrate the Economic Value and Income Opportunities Derived from Resources.
11. Letter to Croell Redi-Mix, from the North Platte Natural Resources District, regarding Croell's New Site East of Scottsbluff, dated April 10, 2018.
12. PowerPoint Presentation on the 8th Annual World Water Forum, Brasilia-Brazil 2018.
13. Report on Variance Request, dated April 3, 2018, regarding Surb's Farm Inc.
14. Minutes, North Platte Natural Resources District Board of Directors, Special Meeting dated April 4, 2018.
15. Construction Contract between the North Platte Natural Resources District, and Paul Reed Construction and Supply Inc., Regarding the Construction and Repair of the Yensen Drain of the Gering Valley Watershed (the Drain).

16. Update on the North Platte Natural Resources District's Telemetry Phase II Project for Mid-March.
17. Map for the North Platte Natural Resources District's Telemetry Phase II Project.
18. Chart of 2018 Lease Rates for Permanent and Temporary Retirements.
19. North Platte Natural Resources District, Rules & Regulations for Implementing the Erosion and Sediment Control Act, Adopted by the Board of Directors.
20. EPIC Allocation Buy-Down Program Payments Rates.
21. Minutes, North Platte Natural Resources District, Water Resources Committee, March 29, 2018.
22. Proposal for Attorney Work Product: DRAFT Pumpkin Creek Subarea and Fully Appropriated Area Allocations Analysis, from Thad Kuntz, P.G., and Heath Kuntz with Adaptive Resources Inc., dated April 6, 2018.
23. DRAFT of Proposed Motion for District Staff to Initiate the Required Procedures to Allow the Board to Consider Adopting the Following Modifications and Amendments to the North Platte Natural Resources District Rules & Regulations.
24. Proposal from the University of Nebraska-Lincoln to Build a Subsurface Drip Irrigation System at the Panhandle Research & Extension Center (PHREC).
25. Consideration of Donation to the University of Nebraska-Lincoln's Sub-Surface Drip Project.
26. Letter from the North Platte Natural Resources District, to Mr. Fassett, Director of Nebraska Department of Natural Resources, regarding an Offering of Full Support of the Board of Directors, for the First Increment Extension of the Platte River Recovery Implementation Program (PRRIP).

27. Proposal for the McMag 3000, Battery Powered Electromagnetic Flow Meter, for Agriculture and Irrigation Applications.

3. Approval of Minutes of Previous Meeting

The Board reviewed the minutes of the March 8, 2018, regular Board meeting. Moved by Eirich, seconded by Deines, to approve the minutes of the March 8, 2018, regular Board meeting. Motion passed.

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

Nay: None

Abstain: Deines

Absent: Weinreis

4. Treasurer's Report and Accounts Payable

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

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

Nay: None

Abstain: Lapaseotes

Absent: Weinreis

5. Comments from the Public

Robert Post, County Commissioner from Banner County, challenged the board to operate according to the mission statement of the District. He told the Directors that the county commissioners get most of the complaints about property taxes, and he would hope they would be conservative when it comes to taxes. He also wondered why producers on the western edge of Pumpkin Creek do not get the same treatment when it comes to eligibility for water

management programs as the eastern producers receive.

6. Manager's Report

Berge provided the Board with a timeline for the FY Budget progress, and the timeline is included with their Board packets. Department requests are due by April 30th. The District is due \$513K in reimbursements from the Platte Basin Coalition for agreements that had been entered into and paid on for the past few years. This reimbursement should be deposited in the NRD's accounts within a matter of days. The District has also received a cost estimate for work related to recharge pits on the Enterprise project. That estimate is included in the board packet. For obvious reasons, staff is looking at changing the scope of the project to meet our budgetary needs, and they will also look at alternative construction agencies to meet expense projections.

Berge reported that he has sent a letter to the regional manager of Croell in reference to the NRD's desire to put a monitoring well on their property and to gain a better understanding of their operations plan, so the District might properly certify their uses and ensure that any offsets required will be met. Berge had met with representative of Croell after the letter was sent, and they provided the requested understanding of the operations and agree to hosting a monitoring well. Berge attended the North Platte Decree Meeting on April 11th, and the PAWS project, a regional municipal water supply project, was presented. The rest of the managers report was submitted in the Board packet.

7. Report from the World Water Forum

Berge reported on how well the World Water Forum went, some of the farms he was able to visit, and the meetings he held. People from all over the world are interested in how NRD's utilize local management to protect and manage our natural resources. It was a great experience.

Berge's expenses were paid entirely by the University of Nebraska Daugherty Water for Food Global Institute.

8. Report on Variance Request.

Berge reported that after consultation from the NPNRD staff and ARI, the variance request from Surb's Farms Inc. is not needed. It was determined that there would be no harm to ground water, surface water systems, or any third-party water user. No Board action is needed.

9. Report on Emergency Board Meeting

a. Approval of the Bid Received from Paul Reed Construction and Approval of Contract to Complete the Repairs

Berge went over the details of the bid that was approved at the Emergency Board meeting on April 3, 2018. The \$720,000 grant and award agreement was signed by the NRD with NRCS. This award will cover all costs associated with the general repair of the Yensen Drain from Rubidoux Rd, south to Cedar Canyon Rd. The bid from Paul Reed Construction for the project was \$672,389.10. The award from NRCS will cover the bid amount and includes a \$10,000 administrative cost reimbursement plus \$35,000 for contingencies that may be associated with the bid estimate.

10. Telemetry Update

Berge reported on phase two of the telemetry project. About 300 units have been installed in this phase, with the rest be installed by the end of April. Phase two should bring the total up to 768 units. The app web interface has been completed and is working well. It should be ready to be downloaded by producers in the next couple of weeks. Travis Preston will be presenting it at the Mid-America GIS Consortium in Omaha at the end of April.

11. Report from District Operations Committee

a. Consideration of Lease Rate Recommendations

Berge reported it is time to evaluate the District’s lease rates for permanent and temporary leases. He explained the District is starting to move away from retirements and leasing of water due to the high costs and availability of land that will meet the URF zone requirements. The District would like to move towards improving on-farm efficiency through technology and cost-share. He also reminded the Board that a small number of contracts will be finished soon. The committee recommended unanimously to approve the lease rates for groundwater, surface water and comingled water as presented. Moved by Lapaseotes, seconded by Henkel, to approve the lease rates for groundwater, surface water and comingled water as presented. Motion passed.

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

Nay: None

Abstain: None

Absent: Weinreis

The committee also unanimously recommended to the full board to suspend permanent ground water retirements. Moved by Darnall, seconded by Henkel, to approve the District suspending the permanent groundwater retirement program, July 1, 2018, indefinitely. Motion passed.

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

Nay: None

Abstain: None

Absent: Weinreis

b. Consideration of Erosion and Sediment Control Rules

Berge reported that since the State of Nebraska has changed the Erosion and Sediment Control Act, the District needs to amend its rules to conform to state rules. Berge has asked the committee to review the edits offered in their packet, and they unanimously recommended to the full board to approve the proposed changes to the Erosion and Sediment Control Rules. Moved by Henkel, seconded by Reuter, to recommend to the full Board the proposed changes the District's Rules and Regulations for Implementing the Erosion and Sediment Control Act. Motion passed.

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

Nay: None

Abstain: None

Absent: Weinreis

c. Consideration of Rates for EPIC Allocation Buy-Down

Berge asked the committee to review the EPIC Allocation Buy-Down program's payment calendar. Currently, the highest amount the District can pay per acre inch is \$20. The committee recommended to change the calendar to the following: 90 percent to 100 percent, \$20 an acre-inch; 80 percent to 89 percent, \$15 per acre-inch; 70 percent to 79 percent, \$10 an acre-inch; and 60 percent to 69 percent, \$5 an acre-inch. Berge reminded the Board that EPIC is going to be a bigger portion of the district efforts, while decreasing the amount of retirements and leases being sought after. After some discussion, the board altered the recommended schedule to say 69 percent to zero percent, \$5 an acre-inch. Moved by Eirich, seconded by Ostdiek to approval the following payment structure for the EPIC Allocation Buy-Down Program 100 percent to 90 percent, \$20 an acre-inch; 89 percent to 80 percent, \$15 an acre-inch; 79 percent to 70 percent, \$10 an acre-inch; and 69 percent and below, \$5 an acre-inch. Motion passed.

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

Nay: None

Abstain: None

Absent: Weinreis

12. Report form Water Resources Committee

a. Consideration to Direct Management and Staff of the District to Initiate the Required Procedures to Allow the Board to Consider Adopting the Following Modifications and Amendments to the NPNRD Rules and Regulations.

The committee discussed the staff recommendations to unify many of the rules and regulations through out the District. The committee unanimously recommended to the full board to initiate the following modifications and amendments to the NPNRD Rules and Regulations. After some discussion by the full board, they decided to have ARI and staff begin the process to amend the NPNRD rules and regulations to match the committee recommendations. Moved by Lapaseotes, seconded by Darnall, to approve the District staff to initiate the required procedures to allow the Board to consider adopting the following modifications and amendments to the NPNRD Rules and Regulation. Motion passed:

1. To obtain an analysis of these proposed changes from Adaptive Resources, Inc. (ARI).
2. To consult and coordinate with the Nebraska Department of Natural Resources regarding these modifications and amendments.
3. Repeal Chapter 7 “Allocation of Ground Water for the Pumpkin Creek Basin Ground Water Management Subarea”.
4. To amend Chapter 6 of the NPNRD Rules and Regulations to include the Pumpkin Creek Basin Ground Water Management Subarea and the fully appropriated area of the District to achieve uniformity and equity among all ground water users in the

District.

5. To modify the ground water controls for certified irrigated acres to conform to NPNRD Rules and Regulations Chapter 6 for the entire District area, including the fully appropriated portion of the District and the Pumpkin Creek Basin Ground Water Management Subarea. The ground water allocation for each certified irrigated acre shall be seventy (70) acre-inches per certified irrigated acre per allocation period. The allocation period shall consist of five (5) consecutive water years beginning in Water Year 2015. The base allocation for each certified irrigated acre is fourteen (14) acre-inches per certified irrigated acre per water year. The amount of the allocation allowed to be carried over (carryforward) into the next allocation period shall not exceed the base allocation of fourteen (14) inches per certified irrigated acre.
6. Target effective dates for the amendments and modifications to the Rules and Regulations for the Pumpkin Creek Basin Ground Water Management Subarea to be January 1, 2019, and for the fully appropriated portion of the District to be January 1, 2020.

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

Nay: None

Abstain: None

Absent: Weinreis

13. Consideration of Committee Member Alternates

Due the difficulty of getting a quorum for committees, staff has recommended that the NPNRD Board of Director Chairman act as an alternative and have the ability to vote. If a quorum can be achieved without the need for the chairman to step in, they will assume their original role as Ex officio and not have the ability to vote. Moved by Henkel, seconded by Deines, to approve the Chairman of the NPNRD Board of Directors as an alternate for the three NPNRD committees and have the ability to vote on committee action, if a quorum cannot be obtained with their regular members.

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

Nay: None

Abstain: None

Absent: Weinreis

14. Consideration of Tabled Motion Regarding Donation to UNL Sub-Surface Drip Project

Last month, the board decided to table the donation request for UNL’s sub-surface drip project due to Berge’s absence, so they could get more information on the proposal. Berge updated the board on what the project is and how much was requested. The project would research the effectiveness of sub-surface drip irrigation systems with various crops that are grown in our District. Currently, there are very little scientific plots where sub-surface drip irrigation is being studied in the western portion of the state. Moved by Deines, seconded by Henkel, to make a one-time donation of \$2000 to the UNL Sub-Surface Drip Project. Motion passed.

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

Nay: None

Abstain: None

Absent: Weinreis

15. Consideration of Board Letter supporting the Platte River Recovery Implementation Program (PRRIP)Extension

The Platte River Recovery Implementation Program is coming to an end next year, and the states of Nebraska, Colorado, and Wyoming are asking the U.S. Congress to extend the program for another thirteen years. Other stakeholders, including some of the NRDs in the Platte River, have written letters supporting the extension. The North Platte NRD has been asked to also

send a letter of support. Moved by Eirich, seconded by Ostdiek, to approve a letter in support for an extension of the Platte River Recovery Implementation Program. Motion passed.

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

Nay: None

Abstain: None

Absent: Weinreis

16. Consideration of McCrometer McMag Electriomagnetic Date-Logging Flow Meter Pilot Project

Berge reported McCrometer has requested to have a new McMag Electriomagnetic flow meter piloted in our District. It will not be placed on the flow meter approved list until the results of the pilot are reviewed and approved by the Board. The meter is not a mechanical meter, but it is a sonic and has the ability to record data. Moved by Lapaseotes, seconded by Eirich, to approve a pilot program for the McCrometer McMag Electronicmagnetic Data-Logging Flow Meter. Motion passed.

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

Nay: None

Abstain: None

Absent: Weinreis

17. Adjourn

Moved by Reuter, seconded by Henkel, to adjourn at 4:45 p.m., MDT. Motion passed.

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

Nay: None

Abstain: None

Absent: Weinreis