

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

December 13, 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, December 13, 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 December 6, 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, and Dan Weinreis (Arrived at 3:03). Absent: None. Others present: John Berge, Barb Cross, Danielle Schafer, Lydia Hendrickson, Jody Fiscus, Scott Schaneman, Craig Uhrig, Paula Kihlthau, Kyle Ann Hopkins, Amanda Shepperd, and David Wolf, NPNRD staff; Thad Kuntz, Adaptive Resources, Inc; Steve Smith, Simmons Olson Law Firm; Sarah Gray, Natural Recourses Conservation Service, Jack Whittier, University of Nebraska, Panhandle Research and Extension District, Richael Young, Mammoth Trading; Grant Lerwick, producer, and Dave Fischer, producer.

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, November 8, 2018.

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, November 8, 2018.
3. Treasurer's Report
4. Manager's Report
5. Email on Pumpkin Creek Basin and Overappropriated Area, Livestock Operations, Nitrogen Management, and Allocations.
6. Memorandum of Understanding between the North Platte Natural Resources District, and the University of Nebraska, Lincoln, to Recognize the Need for Education on Environmental Sciences, and Related Economics.
7. Proposal from Mammoth Trading to deploy a low-cost solution to self-report flowmeter readings, using the TAPP H2O existing hardware.
8. Email regarding the Gering Valley Flood Control Permanent Maintenance Committee, Semi-annual Meeting.
9. Agreement between the North Platte Natural Resources District, and the University of Nebraska Foundation, Regarding the North Platte Natural Resources District Mesonet Fund.
10. Proposal to Establish a Nitrogen Management Advisory Committee to Provide the NPNRD Board, and Staff a Perspective on Potential New Rules and Regulations Regarding the Sales and Application of Commercial Nitrogen.

3. Approval of Minutes of Previous Meeting

The Board reviewed the minutes of the November 8, 2018, regular Board meeting.

Moved by Reuter, seconded by Ostdiek, to approve the minutes of the November 8, 2018 regular Board meeting. Motion passed.

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

Nay: None

Abstain: Eirich

Absent: Weinreis

4. Treasurer's Report and Accounts Payable

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

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

Nay: None

Abstain: None

Absent: None

5. Comments from the Public

Dave Fisher thanked Dave Ostdiek for his hard work and dedication to the District. He also provided a handout for the board regarding his proposal for the Basin Wide Plan and the District's Integrated Management Plan (IMP).

6. Manager's Report

John Berge reported the District is likely going to be changing software for human resources and Accounts Payable/Receivable in the very near future. This will net the District a savings of upwards of \$20,000 per year. Staff is reviewing our association memberships to determine where cuts might be made to save District funds. Berge will be working through the managers' committee on questions related to the high cost of our health care association

membership through NARD. The District is paying more than double what some similar sized organizations are paying for health insurance for our employees and their dependents.

In January, the District will be considering reorganization of the Board at the regular board meeting. The Board will be asked to consider membership for each of the officer roles, committee assignments, representative to the NARD Board (and alternate), and representative to the Basin-Wide Planning Process. Department heads have been discussing ways that the staff might be able to cut costs into the next fiscal year, particularly as it relates to a realignment of duties with existing staff. Berge will be meeting with Craig Derickson, the State Conservationist of NRCS about the future of the NRCS Clerks program in partnership with the North Platte NRD. This program is costing us about \$150,000 per year.

Steve Smith and Berge will be meeting with Jeff Fassett and Jennifer Schelpepper in late January to discuss the ongoing delays on these reimbursements. The District has been waiting well over a year for reimbursements totaling over \$300,000. The delays are caused by DNRs position that our projects on the Enterprise and Minatare Ditches require transfer permits, and the NRD's position that they do not. Berge met with the Platte Basin Coalition and the Platte Overappropriated Committee on December 6 to demand that both entities restore funding to each NRD at the FY 2017 funding levels, which would increase the District's share from about \$180,000 to \$1.5 million over three years. The funding split was cut initially as our District was one of only two NRD's in the Platte Basin that met their first increment goals under the Basin Wide Plan. Subsequently, the Stakeholder Group at the BWP agreed that each NRD had met their obligations and needed to maintain their level of progress – this will require resources, and Berge argued that in a period of diminishing taxing authority, diminishing state and federal

funds, that these dollars (WRCF through NET) should be left unchanged, so the District can do its work.

Staff is tentatively planning an outreach meeting with growers and thought leaders on technology in irrigation in mid-January or mid-February – more details to come as they get worked out. Several months ago, after Berge returned from Brazil, he provided a presentation to the Board about his experiences there. He was approached by several board members after the presentation expressing an interest in travelling as a small group to such an event in the future. Berge informed the board about a Tour available of irrigated agriculture in Chile from February 23- 28 sponsored by Water Strategies, LLC and Irrigation Leader Magazine. He will not be able to attend, but he has suggested to Cross and Scott Schaneman that perhaps they should and wanted to invite members of the board to attend as well. The District has consistently budgeted money for travel expenses for Directors (this is separate from the per diem expenses) and has traditionally only spent a fraction of those dollars. If a board member should bring a guest, all costs for that guest would be borne by the board member. Berge would like to know board member interest and ability to travel by the end of the month.

Save the Dates will go out to staff and the Board in the next several days for our Staff Appreciation Dinner on January 25th. Details are still being worked out. Berge will start attending the Platte River Recovery and Implementation Governance Committee meetings in the future – starting in 2019.

7. Rules Changes update

John Berge updated the Board on the rule changes process. The District Operations and Water Resources Committees met to discuss three major buckets and there was consensus around each of the following items: (1) Pumpkin Creek Basin and Overappropriated Area, which would align the rules from both areas, so they mirror each other; (2) Livestock Operations - there was consensus around the

table that we ought to do everything we can to allow for the expansion of feedlots; (3) Nitrogen Management – it was agreed that there is some work to do on these options, but there seemed to be consensus that we ought to pursue a nitrogen management strategy across the District that would include at least a Level II management scheme along with a Nitrogen Management Certification perhaps; and (4) Allocations - the attendees agreed that there should be no changes in allocations in any basins or areas.

Berge reminded the Board that the rule changes is a slow process and must be aligned with the District's IMP and the Basin-Wide Plan. The proposed rule changes and the adopting of the IMP will happen at the same time.

8. Disclosure of Potential Conflict of Interest

Berge and Cross would like to hire Jenifer Berge-Sauter as a permanent employee due to the expanding demands of her position. The NRD's legal counsel indicated that the general manager has the authority to hire Berge-Sauter, but Berge and Cross wanted to be transparent and let the Board know what was going on as she is Berge's sister. She will be supervised by Cross.

9. Consideration of Memorandum of Understanding with the University of Nebraska-Lincoln in Reference to the "Community Horticulture Program"

Jack Whittier, Director of the Panhandle Research and Extension District, explained the proposed relationship between Extension, Western Nebraska Community College, and the NRD regarding the development of a Community Horticulture Program. The program is a great opportunity to reach college aged students on what the NRD is and some of the issues it deals with. The greenhouse is also an excellent learning environment that both colleges want to utilize. The memorandum outlines the roles, expertise provided, and responsibilities for each

entity. There will not be funding provided by the NRD, as the NRD's contribution will be in-kind and the use of the greenhouse.

Moved by Lapaseotes, seconded by Henkel to approve the Memorandum of Understanding with the University of Nebraska-Lincoln in Reference to the "Community Horticulture Program". Motion passed.

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

Nay: None

Abstain: None

Absent: None

10. Consideration of Match Money for Nebraska Department of Economic Development Grant Application for Mammoth Trading Company Water Use Application

Richael Young brought a proposal to the board for a low-cost solution to self-reporting flow meter reads. The TAPP H2O program allows producers to send a picture of their flow meter reading to Mammoth Trading every month, and the company produces a monthly water report for the irrigator. The producer will get an end of year report which shows them their total water use and compares the irrigator to comparable producers. There is no equipment that is needed, because the irrigator takes a picture of the flow meter and sends it in.

Grant Lerwick was a part of initial pilot project and testified on the quality of the program. Mammoth applied for a grant with the Nebraska Department of Economic Development, and they need match money. They need at least 500 units in order to make program work. The program could potentially be used to replace NRD employees traveling across the district, saving the District hundreds of thousands of dollars each year. Moved by Deines, seconded by Lapaseotes, to provide \$17,500 in funding for 500 units to the TAPP H2O proposal from

Mammoth Trading Company. Motion was amended.

After some discussion before the vote, a concern regarding not having a written agreement with Mammoth Trading Company came up. An amendment to the motion was proposed. Moved by Ostdiek, seconded by Weinreis, to amend the original motion to include the condition that a written agreement between the NRD and Mammoth Trading Company regarding the project. Amendment passed.

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

Nay: Henkel

Abstain: None

Absent: None

Since the motion was amended to include a condition on a written agreement being signed, the motion now reads as the following. Moved by Deines, seconded by Lapaseotes, to provide \$17,500 in funding for 500 units to the TAPP H2O proposal from Mammoth Trading Company with the condition that there is a written agreement between the NRD and Mammoth Trading Company regarding the project. Motion passed.

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

Nay: Henkel

Abstain: None

Absent: None

11. Consideration of Designation of Special Funds for the Ehrman Dam Repair in the Gering Valley Flood Control Project

The Ehrman dam needs to be repaired. The dam is impacting four adjacent landowners and the repairs comes under the responsibility of the Gering Valley Permanent Maintenance

Committee. Berge reported the NRD's portion of the repair is \$12,000. The funds will come out of the \$25,000 that is already budgeted.

Since the amount needed is a big portion of the original budget, Berge wanted the Board to approve the designation. Moved by Henkel, seconded by Ostdiek, to designate \$12,000, already budgeted, for repairs to the Ehrman Dam. Motion passed.

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

Nay: None

Abstain: None

Absent: None

12. Consideration of Fund Agreement with the University of Nebraska Foundation to Provide Funding for the UNL-NPNRD Mesonet Project

The board approved the purchase of two Mesonet weather stations earlier this year, and the NRD is responsible to provide yearly maintenance. Due to some other NRDs ending the program earlier than expected, UNL would like the District to pay for two years' worth of maintenance. The amount would be \$5,200 and would go through UNL's foundation. Berge said there is money budgeted for the extra expenditure this FY and NPNRD would not have to budget any funds next year. Moved by Darnall, seconded by Eirich to approve the fund the agreement with the University of Nebraska Foundation to provide \$5,200 for two years' worth of maintenance fees to the UNL-NPNRD Mesonet Project. Motion passed.

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

Nay: Henkel

Abstain: None

Absent: None

13. Consideration of the Creation of an Advisory Committee to the Board on Nitrogen Management

Berge reported that staff have completed a mapping of nitrate levels in the District. About 45 percent of the District is above 7.5 parts per million (PPM) when it comes to nitrates, which is dangerously close to the 10-ppm limit. Staff has recommended a nitrate committee be created to provide a perspective on some of the proposed rules the Board would be considering. The committee would be an advisory role only. Moved by Eirich, seconded by Henkel, to approve establishing an Advisory Committee to the Board on Nitrogen Management. Motion passed.

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

Nay: None

Abstain: None

Absent: None

14. Consideration of Special Recognition Resolution

The board wanted to recognize Director Dave Ostdiek for is 25 years of service, both as an employee and director. A resolution was drafted and read out loud. Moved by Henkel, seconded by Lapaseotes, to approve the Board Resolution congratulating Dave Ostdiek on his 25years of service to the North Platte NRD. Motion passed.

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

Nay: None

Abstain: Ostdiek

Absent: None

15. Adjourn

Moved by Henkel, seconded by Weinreis, to adjourn at 5:05 p.m., MDT. Motion passed.

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

Nay: None

Abstain: None

Absent: None