

PUBLIC NOTICE

The South Platte Natural Resources District will hold a regular public meeting on Tuesday, October 10, 2017 at South Platte Natural Resources District, 551 Parkland Drive, Sidney, Nebraska at 5:00 p.m. An agenda of the matters to be considered at such date, time and place is kept continually current and is available for public inspection during normal business hours at the South Platte NRD Office, 551 Parkland Drive, Sidney. Any person with disabilities who needs help in participating in the meeting should contact the District office (308) 254-2377, before the meeting.

TENTATIVE AGENDA

1. Call to Order - Bill Halligan, Chair
 - A. Nebraska Open Meetings Act
 - B. Legal Notices
2. Minutes
 - A. *Minutes of the September 12, 2017 South Platte Natural Resources District (SPNRD) Board of Directors Meeting
 - B. Minutes of the September 12, 2017 SPNRD District Operations Committee Meeting
 - C. Minutes of the September 12, 2017 SPNRD Budget Hearing
 - D. Minutes of the September 12, 2017 Special Hearing to Set Final Tax Request
3. *Treasurer's Report for September 2017 and Accounts Payable - Horn
4. Public Questions, Comments and Concerns
5. Agency Reports
 - A. USDA Natural Resources Conservation Service (NRCS)
 1. NRCS Report - Kristin Dickinson, DC-NRCS
 - B. Nebraska Association of Resources Districts (NARD)
 1. NARD Annual Conference - Halligan/Johnson/Rutt
 2. NARD Business Session - Rutt
 - a. NARD Resolutions
 3. NARD Board Meeting - Johnson
 - C. Nebraska Department of Natural Resources (NeDNR)
 1. NeDNR Natural Resources Commission Report - Halligan

6. Rivers, Trails and Conservation Assistance (RTCA) Program, National Park Service, US DOI and Oliver Reservoir Project - Holly Griesemer, RTCA
7. Continue Aquifer Management Strategies and Analyses Discussion - Thad Kuntz, Principal Hydrogeologist, Adaptive Resources, Inc.
8. Director and Staff Reports
9. Committee Reports
 - A. Natural Resources/Projects and Programs Committee - Maas, Chair
 1. Industrial Accounting
 - a. Review the August 1, 2016 through July 31, 2017 Industrial Accounting Report
 - b. *Action on Terry Madden's Industrial Accounting Variance to Establish a Baseline
 - c. *Action on Panhandle Coop's Industrial Accounting Variance to Establish a Baseline
 - d. Review McClung Aerial Spraying Baseline Overage in the Overappropriated/Platte River Recovery and Implementation Program (PRRIP) Area
 2. Municipal Accounting Report
 - a. Review the August 1, 2016 through July 31, 2017 Municipal Accounting Report
 - b. Review Municipal Use and Accounting - Excerpts from Statute and IMPs for all Upper Platte Basin NRDs
 - B. District Operation Committee - Narjes, Chair
 1. Consideration to Amend SPNRD Policies
 - a. *Personnel Policies
 - b. *Operating Policies
 - c. Discussion Regarding Issues Pertaining to the Nebraska State Auditor's Office and the Accountability and Disclosure Commission
 2. *Discussion and Action to Purchase Post Budget Items
 - a. GIS Desktop Computer
 - b. Desktop Computer Systems
 - c. ArcGIS Online Subscription/Tablet
 - d. GIS File Server
 - e. iPad Replacements
 - f. Outdoor Flag Pole and Flags
10. Correspondence
11. Upcoming Dates

October 9, 2017, Columbus Day, Offices Closed
November 10, 2017, Veteran's Day (Observed), Offices Closed
November 14, 2017, Conservation Awards Reception, SPNRD Conference Room
November 14, 2017, SPNRD Board of Directors Meeting
January 23-24, 2018, NARD Legislative Conference, Embassy Suites, Lincoln
12. Adjourn

*Denotes Action Item

MINUTES

The meeting of the South Platte Natural Resources District Board of Directors was held Tuesday, October 10, 2017, at the South Platte Natural Resources District, 551 Parkland Dr., Sidney, NE at 5:00 p.m. The public notices were published in the area newspapers. The agenda was compiled and each member of the Board of Directors and other interested and affected persons were notified of the meeting date within the deadline.

Board Members Present

Bill Halligan, Chair
Jim Johnson, Secretary
Tim Maas, Vice Chair
Kathy Narjes

Chris Meyer
Phil Grabowski
Larry Rutt

Others Present

Holly Greisemer, National Park Service
Rachel Oestmann, National Park Service
Thad Kuntz, Adaptive Resources, Inc.

NRD Staff Present

Rod L. Horn, General Manager
Chris Kaiser, Natural Resources Coordinator
Don Davis, Administrative Manager
Shelly Gerk, Information and Education Coordinator

Travis Glanz, Water Resources Coordinator
Tyler Sanders, Water Resources Technician
Ryan Reisdorff, Water Resources Specialist

Information Material

The following information was provided electronically prior to the meeting or provided during the meeting:

1. Tentative Agenda - Board of Directors meeting, October 10, 2017
2. Tentative Agenda - Natural Resources/Projects and Programs Committee Meeting, October 9, 2017
3. Tentative Agenda - District Operations Committee, October, 10, 2017
4. September 12, 2017 Minutes of the South Platte NRD (SPNRD) Board of Directors meeting
5. September 12, 2017 Minutes of the SPNRD District Operations Committee meeting
6. Minutes of the September 12, 2017 SPNRD Budget Hearing
7. Minutes of the September 12, 2017 SPNRD Special Hearing to Set Final Tax Request
8. September Treasurer's Report and Accounts Payable
9. General Manager's Letter dated October 5, 2017
10. Michelle McMillen, NaManet Keller and Hilary Cook Quarterly Reports
11. Donald Davis Report dated October 12, 2017
12. NARD Annual Report
13. NARD Business Session Report and Adopted Resolutions
14. Aquifer Management Strategies and Analysis dated September 29, 2017
15. Natural Resources/Projects and Programs Committee
 - o Industrial Water Usage Report - August 1, 2016 - July 31, 2017
 - o Terry Madden Industrial Accounting Variance to Establish a Baseline
 - o Panhandle Coop Industrial Accounting Variance to Establish a Baseline
 - o McClung Aerial Spraying Baseline Overage in the Overappropriated/Platte River Recovery and Implementation Program (PRRIP) Area
 - o Municipal Water Usage Report - August 1, 2016 - July 31, 2017
 - o Municipal Use and Accounting - Excerpts from Statues and IMPs for all Upper Plate Basin NRDs
16. District Operations Committee
 - o Personnel Policies

- Operating Policy #2 “Directors’ Vacancy”
 - State Auditing Process - Lessons Learned dated August 30, 2017
 - Nebraska Accountability and Disclosure Commission - Dean Edson E-mail dated September 12, 2017
 - Post Budget Purchases Memo from Rod Horn dated October 10, 2017
17. Correspondence
- “UNL Research Supports Water Management Plan” - Grand Island Independent dated September 30, 2017
 - “Publicly Owned Land Best Route for NCORPE” - Kearney Hub dated October 2, 2017
 - “Group Says NCORPE Should be Taxed” - North Platte Telegraph dated October 4, 2017
 - “Range Judging Held in Keith County, Nebraska” - thefencepost.com dated September 28, 2017
18. Per Diem Worksheet
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1. Call to Order

Chair Halligan called the meeting to order at 5:00 p.m.

A. Nebraska Open Meetings Act

Chair Halligan stated that this meeting is subject to the Nebraska Open Meetings Act. A copy of the act is posted in the meeting room.

B. Legal Notices

Chair Halligan acknowledged that the notice of this meeting was published in the area newspapers and the Affidavits/Proofs of Publication are included with these minutes.

2. Minutes

A. *Minutes of the September 12, 2017 South Platte Natural Resources District (SPNRD) Board of Directors Meeting

With no corrections or additions, motion by Narjes second by Grabowski to approve the September 12, 2017 minutes as distributed. A roll call vote was taken.

Aye: Halligan, Johnson, Maas, Grabowski, Meyer, Narjes, Rutt

Nay:

Absent:

Motion carried.

B. Minutes of the September 12, 2017 SPNRD District Operations Committee Meeting

These minutes were approved as distributed.

C. Minutes of the September 12, 2017 SPNRD Budget Hearing

These minutes were approved as distributed.

D. Minutes of the September 12, 2017 SPNRD Special Hearing to Set Final Tax Request

These minutes were approved as distributed.

3. *Treasurer’s Report for September 2017 and Accounts Payable

Horn reviewed the account balances listed on the Treasurer’s Report as follows:

<u>Account Description</u>	<u>September 1, 2017</u>	<u>September 30, 2017</u>
SPNRD Checking/Repurchase	\$638,103.06	\$974,318.82
SPNRD Building/Property	\$ 28,476.89	\$ 28,479.10
SPNRD Vehicle/Equipment	\$ 23,339.26	\$ 23,342.98
SPNRD ORRA Infrastructure	\$ 236.76	\$ 236.78
SPNRD ORRA Checking PWCB	\$ 8,974.44	\$ 9,405.44
Citizens’ Monitoring PWCB	\$ 57,377.37	\$ 57,381.93
Citizens’ Monitoring CD First Tier	\$ 76,211.50	\$ 76,423.11
SPRCC NPAIT Account	\$ 87,760.82	\$ 207,248.88

Horn reviewed various items listed in the accounts payable. He encouraged the board members to come to the SPNRD office at any time to review the receipts and/or disbursements or ask any questions. The total amount of accounts payable is \$80,774.58. After discussion, Rutt moved to approve the Treasurer’s Report and authorize payment of the accounts payable in the amount of \$80,774.58. A second was made by Grabowski and with no further discussion a roll call vote was taken.

Aye: Johnson, Maas, Grabowski, Meyer, Narjes, Rutt, Halligan

Nay:

Absent:

Motion carried.

4. Public Questions, Comments and Concerns

None stated

5. Agency Reports

A. USDA Natural Resources Conservation Service (NRCS)

1. NRCS Report

No Report

B. Nebraska Association of Resources Districts

1. NARD Report Annual Conference

Rutt stated he thought there were good presentations. Halligan stated he had good discussions with board members from other NRDs. Johnson was appreciative of the Director of the Year award that he received at the conference. He reviewed the other awards given including two for the District. Johnson then spoke about some of the presentations he attended.

2. NARD Business Session

a. NARD Resolutions

Rutt reviewed the NARD resolutions from the annual conference. He stated the first resolution, the Natural Disaster Assistance Funding through NEMA, was passed with no difficulties. The second resolution, Surface Water Leasing for Groundwater Recharge, had some motions to amend and add language to include the Nebraska Department of Natural Resources.

3. NARD Board Meeting

Johnson reviewed the NARD board meeting. Items covered include the approval of a new lobbying firm and changes to some of the funds in the Districts retirement program.

C. Nebraska Department of Natural Resources (NDNR)

1. NeDNR Natural Resources Commission (NRC)

Halligan stated that the commission is in the process of scoring 22 grant applications of which there is 11 million dollars of grant money available and should cover somewhere between two-thirds and three-quarters of the grant proposals. 8 proposals are under \$250,000 while the rest are above.

6. Rivers, Trails and Conservation Assistance (RTCA) Program, National Park Service, NE DOI and Oliver Reservoir Project

Greisemer reviewed a PowerPoint presentation that explained the reasoning for the RTCA involvement at Oliver Reservoir. Greisemer stated they had a similar presentation at the Oliver Reservoir Advisory Committee (ORAC) meeting earlier in the day. She pointed out several items on the concept map including the electric campground areas, multi-family campground, overflow camping and pump station. She directed the board to look at the Tornado Shelter Radius map while she described the potential need and use of the shower station/tornado shelter. The map shows the half mile radius that the shelter would service. The top three priorities from the ORAC meeting are the campground areas, water and pumping station. She then reviewed the trails that are proposed by the RTCA including if there is the need for a trail on the south side of the reservoir and if it needs to be or can be closed during hunting season. Greisemer set the expected plan going forth including taking all of the suggestions from the ORAC and SPNRD board meeting and incorporating them into a potential final concept design, setting priorities and identifying funding sources. Discussion followed.

7. Continue Aquifer Management Strategies and Analyses Discussion

Kuntz started by giving a brief overview of last meetings information which covered the Aquifer Life Analysis. This included a review of pumping and recharge scenarios out to 500 years into the future and the results of the scenarios. Kuntz then went over a subarea analysis which would isolate and pump a subarea while leaving the others alone to determine the overall effect the subarea has on the aquifer. Kuntz then gave his example of what he would do if he was able to create six subareas within the District and do further analyses and interaction between the subareas. The subareas cover roughly Highway 385 west to Highway 71 and north of Highway 30, Highway 71 west to the Wyoming and north of Highway 30, Highway 30 south to the Wyoming line and Colorado line and the Cheyenne County Line, Highway 30 in Cheyenne County south to the Colorado state line and the Deuel County line, southern Deuel County from Highway 30 south, northern Deuel County north of Highway 30, and northeast Cheyenne County and northwest Deuel County from Highway 385 east. Kuntz explained his reasoning for creating the subareas by saturated thickness. Some changes would possibly need to be made to make the subareas more geologically connected. Kuntz then described how he anticipated running the analyses between the 6 subareas by grouping together the subareas to save the District costs which would only require 4 analyses. Kuntz stated he would stay with the 2009 through 2013 data instead of adding 2014 through 2016 which he felt were wet years and might skew the data. He then presented two separate management plans. The first plan is to irrigate until the saturated thickness is gone and then deal with the consequences. The second plan is for equal use of the aquifer by giving everyone the same allocation to try to make the aquifer last as long as possible. Kuntz then proposed a plan starting with a 50 or 75 year target where the target is 5 - 15% drawdown of the saturated thickness. He could then figure out what level of allocation could be allowed to meet that target. The plan would be adaptable to fit the needs of the District. He continued with the 2015 analysis and post 1997 analysis and how it relates to depletions in the future with Lodgepole Creek and the South Platte River. Kuntz explained the allocation analysis that shows the effects of allocations on the Lodgepole Creek and South Platte River. He then showed excess flow diversions in the South Platte River and how streamflow storage may affect analysis. He followed with a suggestion from Reisdorff to potentially investigate the nonuse of certified irrigated acres on pivot corners in the South Platte Valley as an additional analysis by utilizing an aerial photo review for any potential consumptive use credit. Photo analysis could be performed on photos from 1997, 2008, 2015 and 2016. 1997 would be used as a baseline for whether the acres were being utilized for irrigation

and if they have actually been taken out of use. Other analysis being updated is the excess flow analyses, Post 97 Depletions analysis, retirement analysis, and allocations analysis. Kuntz then reviewed the aquifer life web app that he presented at the last meeting. He reviewed the timeline moving forward. The aquifer life analysis and subarea analysis could start anytime, the updated allocation analysis will be late winter/early spring 2018, the aerial photo analysis can begin anytime, and excess flow analysis can start mid-November 2018. Discussion followed. Based on the discussion the board advised Kuntz to move forward with the subarea modeling based on his six subareas with some geological or hydrological changes. The board also advised Kuntz to move forward with his management plan analysis choosing the 50 and long-term 200 year timeframes. The board was also agreeable to begin the photo analysis in the South Platte River valley for potential consumptive use credits. The final okay was given for access to the aquifer life web app.

8. Director and Staff Reports

Glanz - attended the basin wide stakeholders meeting, spent time with Reisdorff on the South Platte Valley project, spend a day and a half with the Kimball County Assessor's office identifying certified acre tracts, worked on usage reports, industrial readings, assisted with the outdoor classroom and GPSd the Lodgepole Creek

Reisdorff - worked on the pilot program to add additional reuse pits near the South Platte River, met with Twin Platte staff and the Western Irrigation District board in regards to the pilot program, assisted Kuntz with his presentation, finished the industrial and municipal accounting reports, attended Platte Basin meetings, waiting on resolutions for the Hazard Mitigation Plan, read industrial meters, GPSd the Lodgepole Creek, worked with the National Park Service on the Oliver Reservoir project, helped with the outdoor classroom and land judging

Kaiser - started 2nd year of pumping deep monitoring wells when the pump broke, it has been sent to be repaired and monitoring will be finished next year, now down to once a month surface water sampling, submitted the last three months water sampling reimbursement to NeDEQ, assisted with the outdoor classroom at Oliver Reservoir, started to analyze the water quality data, and started taking fall water levels

Sanders - checked temporary deferment wells, assisted Kaiser with pumping the deep monitoring wells, started reading flow meters, read industrial wells and changed oil in the company vehicles and did some yard work

Gerk - continued with weekly Facebook updates, also sharing information as appropriate to other pertinent Facebook pages, continued to update the website, finished the fall Pipeline newsletter, helped with land judging, working on the planning of the conservation awards ceremony and attended the annual conference

Horn - stated working with the Department of Natural Resources to exclude the Lodgepole Creek out of the overappropriated area after the first of the year to request an exclusion so that the creek can be treated differently, also reported the second increment planning group is meeting every other month

Davis - submitted a written report. Wittrock was absent.

9. Committee Reports

A. Natural Resources/Projects and Programs Committee

1. Industrial Accounting

a. Review the August 1, 2016 through July 31, 2017 Industrial Accounting Report

Reisdorff reviewed the Industrial Accounting for August 1, 2017 through July 31, 2017 highlighting some of the notable accounts including Clean Harbors who have gone over their baseline each of the past three years which could potentially lead to the NRD being responsible for offsetting the overage at the end of the allocation period in 2021. The other notable account was McClung Aerial Spraying which Reisdorff covered in depth later in the meeting. Reisdorff stated that the total usage for Industrial Accounting amounted to 9 pivots running 14 inches a year. Discussion followed.

b. *Action on Terry Madden's Industrial Accounting Variance to Establish a Baseline

Reisdorff gave a brief history of variance request by Terry Madden. The original request was in 2011 but the flow meter was broken during 2011 through 2014 and showed no usage. When the baseline was set at zero, Madden advised the board that he had in fact been using water from the well for industrial use. A new two year period was then established for calculating the baseline. After reviewing the data it was decided that the best option was to use data from October 1, 2016 through September 30, 2017, which when calculated, would be a 1,613,291 gallon baseline. Maas made the motion to set Terry Madden's Industrial/Commercial Water Usage Certification baseline at 1,613,291 gallons reflecting the highest one year total usage from October 1, 2016 through September 30, 2017. A second was made by Grabowski and with no further discussion a roll call vote was taken.

Aye: Maas, Grabowski, Meyer, Narjes, Rutt, Halligan, Johnson

Nay:

Absent:

Motion carried.

c. *Action on Panhandle Coop's Industrial Accounting Variance to Establish a Baseline

Reisdorff reviewed the request from Panhandle Coop to establish a baseline for their Industrial Account Request. After two periods of attempting to acquire data, once in 2012 and again in 2014 it was determined that the flow meter was broken and a new meter was installed so that data could be collected. The highest one year usage was from August 1, 2014 through July 31, 2015 at 968,600 gallons. Maas made the motion to set Panhandle Coop's Industrial/Commercial Water Usage Certification baseline at 968,600 gallons. This baseline reflects the highest one year total of usage from August 1, 2014 through July 31, 2015. A second was made by Grabowski and with no further discussion a roll call vote was taken.

Aye: Grabowski, Meyer, Narjes, Rutt, Halligan, Johnson, Maas

Nay:

Absent:

Motion carried.

d. Review McClung Aerial Spraying Baseline Overage in the Overappropriated/Platte River Recovery and Implementation Program (PRRIP) Area

Reisdorff reviewed the McClung Aerial Spraying overage in the PRRIP Area by approximately 56,000 gallons. Reisdorff stated that since the overage was in the PRRIP area it must be offset each year. Reisdorff contacted Department of Natural Resources (DNR) staff to verify using carryforward as a proper offset. DNR agreed to use the carryforward from the previous year which was 132,500 gallons. The carryover will cover the overage. Discussion followed.

2. Municipal Accounting Report

a. Review the August 1, 2016 through July 31, 2017 Municipal Accounting Report

Reisdorff reviewed the Municipal Accounting for August 1, 2016 through July 31, 2017. Reisdorff reported that the City of Chappell went over their baseline by approximately 31 million gallons last year but were only over by 21 million gallons this year. Some reasons for the overage include a dry year and high usage on the golf course along with the city sewer using retention pits instead of recharging back into the Lodgepole Creek since 2016. Reisdorff pointed out that when baselines were set the per capita usage was around 534 gallons per person per day. Last year the usage was 310 gallons and this the usage was 313 gallons per person per day. He also pointed out that municipalities with residential meters

use less water than the two in the District that do not use residential meters and are just charging a flat rate for water usage. Discussion followed.

b. Review the Municipal Use and Accounting - Excerpt from Stature and IMPs for all Upper Platte Basin NRDs

Reisdorff reviewed the statute and pointed out that the other four NRDs in the Upper Platte Basin have much shorter sections in the IMPs addressing municipal usage. DNR has suggested that all five Upper Platte Basin NRDs have similar IMPs which could make the District revise its IMP. The next IMP increment period will cover from 2019 - 2029. The District has to monitor municipal usage as the statute governs until 2026. Changes to the way the District is offsetting municipalities could be changed. Maas questioned whether there could be a way to shrink the District's statutes but still keep it rigid and structured. He feels it would be beneficial to the current board and to future boards. Reisdorff and Horn both agreed the statutes could be shrunk without much compromise. Discussion followed.

B. District Operation Committee

1. Consideration to Amend SPNRD Policies

a. *Personnel Policies

Horn stated the reasons for the additions and corrections to the personnel policies is derived from the internal control questionnaire and fraud assessment inquiries from the annual audit. Horn reviewed the changed or corrected Personnel Policies including Policy 39, "Employee Use of District Facilities and Equipment", and Policy 47 "Code of Conduct and Workplace Ethics". Horn also pointed out changes to Policy 13, "Group Health and Dental Insurance Plan" and Policy 33, "Safety and Accident Reporting". Narjes made a motion to approve the proposed amendments to personnel policies. Second was made by Johnson and with no further discussion a roll call vote was taken.

Aye: Meyer, Narjes, Rutt, Halligan, Johnson, Maas, Grabowski

Nay:

Absent:

Motion carried.

b. *Operating Policies

Horn reviewed the draft Operating Policy #2, "Board Vacancy" which would replace the current Operating Policy #2, "Directors' Vacancies". The draft eliminates the time frame of appointing a director within 65 days and clarifies the use of secret ballots. Narjes made a motion to approve the proposed amendment to Operating Policies. A second was made by Johnson and with no further discussion a roll call vote was taken.

Aye: Narjes, Rutt, Halligan, Johnson, Maas, Grabowski, Meyer

Nay:

Absent:

Motion carried.

c. Discussion Regarding Issues Pertaining to the Nebraska State Auditor's Office and the Accountability and Disclosure Commission

Horn reviewed the Little Blue NRDs initial audit from the State of Nebraska Auditors Office regarding staff and board expense reports, charge card reports, mileage records, detail receipts, and travel documentation. He then reviewed the Nebraska Accountability and Disclosure Commission report on per diems and expenses by directors pointing out that if the report was followed as stated, individual directors would have to abstain on voting on

expenditures or per diems if they have received either. Horn stated the District will follow up when there is more information. Discussion followed.

2. *Discussion and Action to Purchase Post Budget Items

- a. GIS Desktop Computer
- b. Desktop Computer Systems
- c. ArcGIS Online Subscription /Tablet
- d. GIS File Server
- e. iPad Replacements
- f. Outdoor Flag Pole and Flags

Horn explained the process for post budget items. Per policy, if items in the budget are equal to or more than \$2,500, they need to be brought before the board for approval. Horn reviewed each item and stated that each would be purchased as needed during the fiscal year. Narjes made a motion to give the General Manager the authority to purchase post budget items as presented. A second was made by Johnson and after further discussion a roll call vote was taken.

Aye: Rutt, Halligan, Johnson, Maas, Grabowski, Meyer, Narjes

Nay:

Absent:

Motion carried.

10. Correspondence

Horn encouraged all of the board members to read the correspondence provided

11. Upcoming Dates

November 10, 2017, SPNRD Veterans Day (Observed), Offices Closed

November 14, 2017, Conservation Awards Reception, SPNRD Conference Room

November 14, 2017, SPNRD Board of Directors Meeting

January 23-24, 2018, NARD Legislative Conference, Lincoln

12. Adjourn

With no further business, the meeting adjourned at 8:13 p.m.

Donald Davis, Recording Secretary

* Denotes Action Item