

MINUTES OF THE TRI-BASIN NRD BOARD MEETING
Tuesday, December 13, 2011, 1:30 p.m.
Tri-Basin Natural Resources District

CALL TO ORDER

The regular monthly board meeting of the Tri-Basin Natural Resources District (NRD) was called to order by Chairman Dave Nickel, at 1:34 p.m. Nickel noted Public Meeting Law is posted in the boardroom.

ROLL CALL

Roll call was taken with ten directors present: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Nickel, Reynolds and Winz. Garrelts, Olsen and Raffety were absent. Notice of the meeting was published in the Holdrege Citizen, Bertrand Herald, Elwood Bulletin and the Minden Courier and announced over radio stations KRVN, Lexington and KUVR, Holdrege.

EXCUSE ABSENCES

There were no absences to excuse.

MINUTES

Nickel presented the minutes of the November 8, 2011 Board of Director's Meeting and November 28, 2011 Executive Committee Meeting. Johnson noted a correction to the minutes.

Moved by Johnson, seconded by Lundeen, to approve the minutes, as amended, for the November 8, 2011 Board of Directors Regular Meeting. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Lundeen, Nelson, Winz and Nickel

NAY: None

ABSTAIN: Larson and Reynolds

ABSENT: Garrelts, Olsen and Raffety

Moved by Lundeen, seconded by Reynolds, to approve the minutes of the November 28, 2011 Executive Committee Meeting. Motion carried unanimously.

FINANCIAL REPORT

Thorburn presented the financial report for the month of November 2011 as follows:

Accrual Expenditures for Month -----	\$41,965.37
Cash Expenditures for Month-----	\$38,898.19
Accrual Revenues for Month-----	\$18,546.14
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Cash Revenues for Month-----	\$18,494.34
Bank Balance–November 30, 2011-----	\$120,349.48
Accounts Receivable – November 30, 2011-----	\$13,895.56
Investments – November 30, 2011-----	\$203.55
Investments – Pinnacle Bank – November 30, 2011-----	\$1,021,403.4
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Whiskey Slough IPA Balance – November 30, 2011-----	\$16,739.62
Fort Kearny-West IPA Balance – November 30, 2011-----	\$5,954.94
South Dry Creek IPA Balance – November 30, 2011-----	\$8,965.28
Fort Kearny IPA Balance – November 30, 2011-----	\$12,492.80
North Dry Creek IPA Balance – November 30, 2011-----	\$16,243.98
Sacramento Creek IPA Balance – November 30, 2011 -----	\$31,080.13

Moved by Helms, seconded by Larson, to accept the November 2011 financial reports and file for audit. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel
NAY: None
ABSTAIN: None
ABSENT: Garrelts, Olsen and Raffety

SPECIAL BILLS

Thorburn presented the VISA bills for approval. Moved by Reynolds, seconded by Bergstrom to approve the visa bills. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel
NAY: None
ABSTAIN: None
ABSENT: Garrelts, Olsen and Raffety

NRCS REPORT

FSA Farm Plans: Scheele presented one farm plan for approval and explained UHEL designation shown on a map stands for Undetermined Highly Erodible. Moved by Lundeen, seconded by Reynolds to approve a farm plan for Phillip Leising. Motion carried.

AYE: Bergstrom, Helms, Larson, Lundeen, Nelson, Reynolds and Nickel
NAY: Harris, Johnson and Winz
ABSTAIN: None
ABSENT: Garrelts, Olsen and Raffety

Activity and Progress Report: Staff has been busy working on CSP enhancements and EQIP rankings. Scheele explained EQIP plans will be paid per acre instead of per foot.

COST SHARE REPORT

Well Abandonment – Holloway presented nine well decommissioning cost-share applications to approve. Moved by Winz, seconded by Larson to approve well decommissioning cost-share applications #47-#55. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel
NAY: None
ABSTAIN: None
ABSENT: Garrelts, Olsen and Raffety

NSWCP & NRD Applications – Thorburn recommended seven NSWCP and one TBNRD cost-share applications for approval. Moved by Johnson, seconded by Bergstrom to approve NSWCP Cost-Share applications for Mitch Ebner - \$1,380, Ran Knaus - \$945, Kevin Ruan - \$1837.50, MBJL - \$300, Keith Maaske - \$3,500, Schmidt Farms - \$3,00, Clark Nelson - \$3,500, Lemoine J. Olsen Family Trust - \$3,500, Robb Ranch - \$1,536. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel
NAY: None
ABSTAIN: None
ABSENT: Garrelts, Olsen and Raffety

GROUNDWATER MANAGEMENT

Groundwater & Certified Acre Transfers – Thorburn explained that the Planning Committee met prior to this meeting and recommended that Dale R. Anderson not be required to transfer certified irrigated acres to cover pivot crossings over CNPPID lateral. Thorburn presented certified

irrigated acre transfer requests for Clark Nelson, Patrick Hoban, Stagemeyer Family Ltd. (2) and MBJL, Ltd.

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Thorburn presented a request from Doug Soderquist for a flowmeter exemption that covers 14 acres in pivot corners. Thorburn explained that Soderquist would be required to pay back a prorated amount of NSWCP cost-share received for a flowmeter. Irrigated acres transfer guidelines allow a flowmeter exemption when 14 acres or less are involved. Kevin Sinsel, Patrick Hoban, Clark Nelson and Doug Stagemeyer were present to answer questions.

Moved by Larson, seconded by Johnson to approve a groundwater transfer request for Dale R. Anderson. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

Moved by Lundeen, seconded by Reynolds to approve an irrigated acre transfer request for Clark and Shawna Nelson. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

Moved by Nelson, seconded by Larson to approve an irrigated acre transfer request for Patrick and Jayne Hoban. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

Moved by Reynolds, seconded by Lundeen to approve two irrigated acre transfer requests for Stagemeyer Family Ltd and MBJL. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

New Well Variances – Doug Soderquist is requesting a flowmeter exemption for a well irrigating only 14 acres. Moved by Helms, seconded by Reynolds to approve a flowmeter exemption for Doug Soderquist contingent upon repaying prorated NSWCP cost-share on the flowmeter. Motion carried.

AYE: Bergstrom, Helms, Larson, Lundeen, Reynolds and Nickel

NAY: Harris, Johnson, Nelson and Winz

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

Educational Land Leases – There were no Educational Land Leases to approve.

OTHER BUSINESS

The public was given the opportunity to bring other specific business or non-agenda items before the board for comment and/or discussion.

UNFINISHED BUSINESS

Auditor's Report – Randy Tonniges: Randy Tonniges and Joosick Kim reported on the FY 2010-2011 FY audit. Tonniges reported two deficiencies in the district's operations that are common to businesses of comparable size: Lack of segregation of duties and management did not have the capability to prepare the organizations financial statements. Because of staff limitations, segregation is difficult and not economically practical and management would need extensive continuing education to prepare financial statements. TBNRD is compared to industry standards so lack of segregation of financial transaction duties and management ability to prepare financial statements oversight is an audit requirement. Tonniges explained the difference between accrual and cash basis and suggested TBNRD switch to cash basis which would make the audit easier. Winz commented that he would like to see Randy Tonniges signature on letter with Tonniges letterhead. Lynch commented she would like discuss how cash vs. accrual would affect current operations with Tonniges. Moved by Lundeen, seconded by Johnson to approve the 2010-2011 Audit and file with the State of Nebraska. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

IWMS Annual Report – Curtis Scheele: Scheele reported on EQIP, AWEP, NAWMN, Soil Moisture Sensor's and Pivot Inventory.

Groundwater Quality Update: Thorburn reported on Groundwater Nitrate Levels for 2011. Thorburn reported 239 wells were sampled by staff, which consist of observation wells and irrigations wells. The five-year change in nitrate levels showed stable levels in Gosper County, small decrease in some Phase II areas and Platte Valley has seen little or no change. The biggest changes occurred in an area near Mirage Township not in Phase II or III, which showed steady nitrate levels. Thorburn would like to do more detailed sampling to determine if Phase II & III needs to be expanded in Kearney County.

NARD REPORT

Thorburn mentioned the NARD Legislative Conference will be held January 24-25, 2012 in Lincoln.

COMMITTEE REPORTS

Planning Committee: The Planning Committee met this morning with NDNR to review the latest draft of the Rep. Basin IMP, review model accounting and review an HEL plan. Thorburn explained that usually any acres under a pivot need to be certified as irrigated, but a landowner is asking whether certified irrigated acres are needed for a pivot crossing a CNPPID owned lateral. Thorburn commented that rules aren't clear on the requirement, but irrigation probably wouldn't affect ET. The committee recommended that a landowner not have to certify acres where a pivot crosses the CNPPID lateral. Moved by Reynolds, seconded by Lundeen to accept the Planning Committee's recommendation to not require an irrigated acre transfer for a pivot to crossing a CNPPID lateral. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

Executive Committee: Thorburn explained legal counsel advised that items dealing with budget or are substantive need to be listed as separate agenda items. The committee considered whether to set a deadline for corrections to certified irrigated acres and determined that the current process was working well and a total of only 1457 acres have been changed to certified since the process began with a large portion attributable to recertification of CREP. The committee met with Ron Bishop of CPNRD to discuss leasing water from 30 Mile (and other canals). Thorburn explained that CPNRD's water right hasn't been approved by NDNR. CNPPID and TBNRD were turned down for separate water right applications. If CPNRD's water right is approved before TBNRD's, TBNRD's water right becomes lower in priority. Repurposing CNPPID canal water was discussed. Thorburn explained that Elwood Reservoir could be filled during the off season, but in order to receive offset credit, it would have to be filled on a regular basis. Johnson mentioned the NRRMD is looking at leasing water from CPNRD also.

Moved by Reynolds, seconded by Larson to accept the Executive Committee's recommendations to pursue the water leasing option with CPNRD and to leave the current certified irrigated acre transfer process in place. Motion withdrawn.

Moved by Reynolds, seconded by Winz to accept the Executive Committee's recommendation to direct staff to enter into negotiations to lease water from CPNRD. Motion carried.

AYE: Bergstrom, Harris, Helms, Johnson, Larson, Lundeen, Nelson, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

Moved by Nelson, seconded by Johnson to amend the motion to leave the current process to correct certified irrigated acres in place until January 1, 2013, at which time, no requests for corrections to certified irrigated acres will be accepted. Motion failed.

AYE: Johnson and Nelson

NAY: Bergstrom, Harris, Helms, Larson, Lundeen, Reynolds, Winz and Nickel

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

Moved by Reynolds, seconded by Winz to accept the Executive Committee's recommendation to maintain the current process of certified irrigated acre corrections. Motion carried.

AYE: Bergstrom, Harris, Helms, Larson, Lundeen, Reynolds, Winz and Nickel

NAY: Nelson and Johnson

ABSTAIN: None

ABSENT: Garrelts, Olsen and Raffety

STAFF REPORTS & NECESSARY ACTION

Board Directives to Staff: There were no staff items to discuss.

Out-of-State Travel: There was no out-of-state travel to approve.

MONTHLY REPORTS

Republican Basin (NRRMD): RRTF met Dec. 12, 2011 in McCook. Winz, Johnson and Thorburn attended. KS v. NE Expert Reports have been submitted and trial should begin in summer 2012.

Platte Basin: Land Committee had conference call discussing parcel boundary.

South Dry Creek: Roads being rebuilt.

Sacramento Creek: Culvert installation scheduled.

Middle Lost Creek: Nothing to report.

Fort Kearny West: Gate locks replaced.

Fort Kearny: Nothing to report.

North Dry Creek: Ostgren Construction will install three culverts and remove tree.

Whiskey Slough: Culvert will be installed this spring.

Lake Seldom: Nothing to report.

CoHyst/PBHEP: CoHyst model calibration was delayed a couple of months.

Weed Management Areas – Riparian Vegetation Task Force Platte: Brooks reported a flyer called the “Weed Watch” was inserted into local papers and work will start to clean out Turkey Creek by removing trees and brush and digging out springs.

Sand Creek/Little Blue Basin: RFP was advertised.

CNPPID: Ford reported Lake McConaughay is at elevation 3256.

NEW BUSINESS

Consider Possible Water Lease from CPNRD: This item was discussed earlier in the meeting.

Discuss Deadline for Landowners to Correct Certified Irrigated Acres: This item was discussed earlier in the meeting.

PERSONNEL & LEGAL MATTERS

There were no personnel or legal matters to discuss.

COMMENTS AND CONCERNS

Nickel asked for Target Flows on Platte and NDC estimations from NDNR and suggested the Projects and Construction Committee should be scheduled to discuss a Lost Creek IPA. Helms directed staff to investigate moving to a “Cash” accounting system.

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NEXT BOARD MEETING

TBNRD Regular Board meeting will be held at 1:30 p.m. on Tuesday, January 10, 2012 at Tri-Basin NRD.

ADJOURNMENT

There being no further business, the meeting adjourned at 3:48 p.m.

DIRECTORS PRESENT

Brian Bergstrom, Ed Harris, Dick Helms, Phyllis Johnson, Brad Lundeen, David Nelson, David Nickel, David Olsen, Larry Reynolds and Ray Winz.

OTHERS PRESENT

John Thorburn, Carie Lynch, Nicole Salisbury, Curtis Scheele, Kevin Sinsel, Richard Holloway, Patrick Hoban, Clark Nelson, Randy Tonniges, Joosick Kim, Doug Stagemeyer, Charles Brooks and Lori Potter.

Respectfully Submitted:

Carie Lynch, Asst. Secretary

INDEX OF BOARD DECISIONS
TRI-BASIN NATURAL RESOURCES DISTRICT
BOARD OF DIRECTORS MEETING
December 13, 2011

- #1 Moved by Johnson, seconded by Lundeen, to approve the minutes, as amended, for the November 8, 2011 Board of Directors Regular Meeting. Motion carried.
- #2 Moved by Lundeen, seconded by Reynolds, to approve the minutes of the November 28, 2011 Executive Committee Meeting. Motion carried unanimously.
- #3 Moved by Helms, seconded by Larson, to accept the November 2011 financial reports and file for audit. Motion carried.
- #4 Moved by Reynolds, seconded by Bergstrom to approve the visa bills. Motion carried.
- #5 Moved by Lundeen, seconded by Reynolds to approve a farm plan for Phillip Leising. Motion carried.
- #6 Moved by Winz, seconded by Larson to approve well decommissioning cost-share applications #47-#55. Motion carried.
- #7 Moved by Johnson, seconded by Bergstrom to approve NSWCP Cost-Share applications for Mitch Ebner - \$1,380, Ran Knaus - \$945, Kevin Ruan - \$1837.50, MBJL - \$300, Keith Maaske - \$3,500, Schmidt Farms - \$3,00, Clark Nelson - \$3,500, Lemoine J. Olsen Family Trust - \$3,500, Robb Ranch - \$1,536. Motion carried.
- #8 Moved by Larson, seconded by Johnson to approve a groundwater transfer request for Dale R. Anderson. Motion carried.
- #9 Moved by Lundeen, seconded by Reynolds to approve an irrigated acre transfer request for Clark and Shawna Nelson. Motion carried.
- #10 Moved by Nelson, seconded by Larson to approve an irrigated acre transfer request for Patrick and Jayne Hoban. Motion carried.
- #11 Moved by Reynolds, seconded by Lundeen to approve two irrigated acre transfer requests for Stagemeyer Family Ltd and MBJL. Motion carried.
- #12 Moved by Helms, seconded by Reynolds to approve a flowmeter exemption for Doug Soderquist contingent upon repaying prorated NSWCP cost-share on the flowmeter. Motion carried.
- #13 Moved by Lundeen, seconded by Johnson to approve the 2010-2011 Audit and file with the State of Nebraska. Motion carried.
- #14 Moved by Reynolds, seconded by Lundeen to accept the Planning Committee's recommendation to not require an irrigated acre transfer for a pivot to crossing a CNPPID lateral. Motion carried.
- #15 Moved by Reynolds, seconded by Winz to accept the Executive Committee's recommendation to direct staff to enter into negotiations to lease water from CPNRD. Motion carried.
- #16 Moved by Reynolds, seconded by Winz to accept the Executive Committee's recommendation to maintain the current process of certified irrigated acre corrections. Motion carried.