

MINUTES
Middle Republican Natural Resources District
Board of Directors Meeting
Tuesday, October 11, 2011 at 7:30 PM
Curtis, Nebraska

Board Members Present: Kevin Fornoff, Joe Anderjaska, Buck Haag, James Uerling, Rick McConville, Steve Cappel, Bill Hoyt, Blaine Stinson, Rick Spencer, Brad Randel, John Palic

Board Members Absent: None.

NRD Staff: Dan Smith, Bob Merrigan and Stacie Owens

NRCS Staff: Jason Kennedy

Others: Dean Large, Brad Johnson, John W. Scharf, Benjie Loomis, Cermit Brown, Roger Kolbet, Dan Lindstrom, Claude Cappel, Daniel Nelsen

Information E-mailed to Directors:

Kiplinger Decision	Question about Surface Water from Smith
Response from Uerling Re: Smith E-mail	E-Notes dated 9/20/11, 9/27/11, 10/4/11
Weekly Construction Update dated 9/23/11	Conference Update

Information Mailed to Directors:

Agenda	Minutes from Regular Meeting
Budget Hearing Minutes	Special Budget Hearing Minutes
Financial Report	Profit & Loss Budget vs. Actual
Civil Rights Handout	NARD Newsletter 9-29-11
NARD Resolution 2011-2 and 4	I & E Report
2011 MRNRD Know Your NRD	Republican Basin Report
Surface Water Report	Grapple Fork Quotes

Information Distributed at Meeting:

Occ Tax Changes Oct. 2011	The Middle Rep. Splash Bulletin
NNRC draft Minutes	Letter from James Uerling
Cost Share Report	Miller & Assoc. Agreement
NRCS Report	

REGULAR MEETING

1. The regular monthly board meeting was called to order by Chairman Haag at 7:30 pm.
 - a. Verify Quorum.
 - b. Excused Absence – None.
2. The agenda and roster were circulated to those present.
 - a. Items added to the agenda since mailing: 9.d. Executive Committee Report
3. Notice of the regular monthly meeting was published in the **North Platte Telegraph** and the **McCook Daily Gazette** and was posted at the **MRNRD Office** and on the **District Website** at www.mrnrd.org. As a courtesy it was also provided to local radio stations.

Guests should also note the location of a current copy of the statutes dealing with public meetings and the booklet with the information provided to directors.

4. The Minutes for the September Budget Hearing, Special Budget Hearing to Set Final Tax Request and Regular Board Meeting were mailed to Directors.

◆ A motion was made by Hoyt and seconded by Fornoff to approve the September Budget Hearing, Special Budget Hearing to Set Final Tax Request and Regular Board Meeting.

Ayes - 11 Nays – 0 Motion Carried

5. Open Hearing for Variance Request. NONE

6. Close Hearing.

7. CONSIDER VARIANCE REQUESTS

NONE.

8. FINANCIAL ACTIONS

a. The September Financial Report and Profit & Loss Budget vs. Actual report were presented by Smith. The County Treasurers' Balance was \$266,456.03.

◆ A motion was made by Spencer and seconded by Cappel to approve the September Financial Report and Profit & Loss Budget vs. Actual report as presented.

Ayes- 10 Nays- Palic Motion Carried

A copy of this report is filed with the Minutes.

b. Occupation Tax.

1. Discussion – Association rejected resolution.

Smith and Anderjaska reported on the Resolution 2011-03 which would exclude surface water acres for occupation tax purposed which was rejected at the NARD Annual Conference. Discussion was held.

9. LEGAL MATTERS

a. Occupation Tax Challenge – Court ruled for NRDs on all counts.

Smith went over the court's decision which he previously e-mailed to the Board Members.

b. Kansas vs. Nebraska – Depositions in October.

Smith commented on the progress and that the NRD Managers would be disposed sometime later this month.

c. Dan Lindstrom – Discussion on Representation.

Smith introduced Lindstrom and allowed him to speak to the board about his background and answered questions from the Board. Uerling asked Lindstrom to help negotiate a change in the percentage divisions between the 4 NRD's.

◆ A motion was made by Uerling and seconded by Hoyt to authorize Smith to sign

the engagement letter with Dan Lindstrom once it has been received.

Ayes- 11 Nays- 0 Motion Carried

d. Executive Committee Report - Uerling.

Uerling went over his letter which was included in the handouts and talked more about wanting to get the depletions percentages changed between the districts. Smith stated that he expects there to be opposition but feels we need to continue to move forward with negotiations on the subject. Palic suggested setting up a meeting with legal counsel, managers and DNR. Smith stated he would try to set something up for the first part of December.

10. OPEN FORUM

Claude Cappel, McCook. Cappel discussed his concerns for acres in the rapid response region that were under drip system and a compact call year which wouldn't allow for him to run water through the system. He requested consideration of allowing 3" to be pumped through the drip system on a shutdown year. He also stated that he feels occupation tax on surface water acres is unfair.

Dean Large, Wauneta. Large expressed concerns about some of the Board's decisions specifically relating to giving back occupation tax on surface water acres.

11. REPORTS – AGENCIES, ASSOCIATIONS, OTHERS

A. NRCS REPORT.

1. District Cons. Report. Kennedy went over his report which was a year end wrap up of activities and answered questions.

B. NARD

1. Report – Anderjaska gave his report and answered questions.
2. Fall Conference Report. Anderjaska reported on the conference, the vendors and sessions. Further discussion was held regarding the resolutions.

C. NNRC

1. Report – Nelsen. Draft Minutes from the September meeting were included in the packets. Nelsen was unable to attend meeting but spoke with other members who attended and updated the Board on issues the association is working on, specifically with finances.

D. INFORMATION AND EDUCATION – LAWSON.

1. Reports. Lawson went over his report and handouts, and answered questions.

E. NE REPUBLICAN RIVER MANAGEMENT DISTRICTS ASSOCIATION.

1. Reports. Smith and Hoyt talked about the meeting held in McCook at First National Bank. Hoyt talked about the IMP schedules for the Lower Republican NRD and Tri Basin NRD. Next meeting will be November 29.

F. OTHER AGENCIES OR ASSOCIATIONS.

None.

G. LEGISLATION.

1. Sustainability Task Force Report – Anderjaska/Fornoff.
Nothing new to report. Next meeting will be in December.

2. LR 314 Report.
Smith discussed the progress the committees were making.

3. LB655 Consideration.

Smith discussed Christensen's bill and stated that Christensen would like to know if we are willing to support it as it is written or if we have any suggested changes. Smith mentioned working with Christensen to get some language put in that would split out the surface water issues we are currently having problems with.

12. GROUND WATER MANAGEMENT AREA

A. GROUND WATER MANAGEMENT AREA

1. REPORTS.

(a) **WELL PERMITS.**

None.

(b) **SURFACE WATER.**

Bureau report included in Board Packets.

(c) **METER PROGRAM**

Smith reported that the technicians were almost done servicing and reading meters in Red Willow County.

(d) **AWEP.**

Kennedy reported on this during his NRCS report.

(e) **ARP applications – Rippen.**

Smith requested guidance on how to handle CREP acres as Rippen's situation has been different than any other ARP we have dealt with. Discussion was held.

◆ A motion was made by McConville and seconded by Stinson to direct manager to tell public the Board is not interested in negotiating a retirement program on CREP acres at this time.

Ayes- 6 Nays- Hoyt, Palic, Uerling, Cappel, Fornoff Motion Carried

2. TRANSFERS REQUESTS.

(a) **INITIAL REVIEW LIST – None.**

(b) **FINAL REVIEW – None.**

3. IMP DISCUSSION.

(a) **Future Revisions.**

Nothing new.

4. RULES AND REGULATIONS.

Nothing new.

5. NOTICES OF NON-COMPLIANCE ISSUED – Five B Farms, Steve Hanchera.

Merrigan stated that he has been in contact with both parties and they are moving forward to get issues resolved.

6. CEASE AND DESIST ORDER.

None.

7. RIVERSIDE BUYOUT PROGRESS AND REPORT.

Smith stated that they were moving along as fast as they could to get contacts completed and described some of the issues that were holding up the process. Roger Kolbet did also state that his customers were getting upset with how slow things are moving. Discussion was held.

♦ A motion was made by Palic and seconded by Fornoff to pay a half a percent interest per month after October 31, 2011 to the individuals in the Riverside buyout project until contracts are issued.

Ayes - 9 Nays – McConville, Cappel Motion Carried

B. GROUND WATER QUALITY MANAGEMENT AREA.

Smith had nothing further. Lawson discussed the Groundwater Quality Monitoring Expansion Project grant during his report.

C. OTHER GROUND WATER.

None.

13. PROGRAMS

A. COST-SHARE FUNDS – LCP/NSWCP.

1. Approve Applications. Smith went over the cost share report and answered questions.

♦ A motion was made by Fornoff and seconded by Cappel to accept the Cost Share Summary as presented.

Ayes - 11 Nays - 0 Motion Carried

B. WATERSHEDS.

1. Progress on 32A.

Smith reported that everything is complete except the seeding which will be done around November 1.

2. Emergency Action Plan McCook – Contract with Miller & Associates. Smith discussed the DNR requirement of having an Emergency Action

Plan for high hazard dams like Kelley Creek. A copy of the proposal from Miller & Associates was provided to the Board. Discussion held.

◆ A motion was made by Fornoff and seconded by Randel to pay Miller & Associates \$6,300 to prepare the Emergency Action Plan and Inundation Mapping per their agreement.

Ayes- 8 Nays- Palic, Uerling, Cappel Motion Carried

C. EROSION AND SEDIMENT CONTRACT ACT - Seward.

Merrigan reported that some dirt work has been started but the issue has not been solved as of yet.

D. COMPLAINTS – REPORTS ON PREVIOUS COMPLAINTS.

None.

E. CHEMIGATION.

None.

F. TREE PLANTING.

None.

G. BUFFER STRIPS.

None.

H. LIVESTOCK WASTE CONTROL APPLICATIONS.

None.

14. GENERAL OPERATIONS.

A. PERSONNEL- Consider appointing Sylvia Robison to full-time.

Discussion was held regarding Sylvia who has been working part-time for the NRD for the past couple of years and the need for another full time employee who can assist in the office and in the field.

◆ A motion was made by Uerling and seconded by Palic to hire Sylvia Robison as a full-time employee.

Ayes - 10 Nays – 0 Abstain - Stinson Motion Carried

B. SALES & RENTAL EQUIPMENT.

None.

C. GRAPPLE FORK.

Merrigan went over the quotes.

◆ A motion was made by Anderjaska and seconded by Spencer to purchase the grapple fork from Unlimited Fabrication LLC for \$1,951.00.

Ayes - 11 Nays- 0 Motion Carried

The meeting was adjourned at 10:23 pm.

The next regular meeting will be held Tuesday, November 8, 2011 at 7:30 p.m. at the Community Center at 201 Garlick Avenue in Curtis, Nebraska.

Stacie M. Owens
Board Secretary