

MINUTES
Middle Republican Natural Resources District
Board of Directors Meeting
Tuesday, February 11, 2014 at 1:00 PM
Curtis, Nebraska

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

Board Members Absent: None

NRD Staff: Jack Russell, Bob Merrigan, Roger Lawson, Stacie Owens, Sylvia Johnson

NRCS Staff: Jason Kennedy, Kort Kemp

Others: Dan Estermann, Jay Schilling, Kim Schilling, Rick Spencer, Brad Johnson, William M. Barger, Mark Towne, Danny Loomis, Delynn Gohl, Dick Hasenauer, Brian Holm, Clint Sheets, Josh Friesen, Randy Robinson, Amanda Johnson, Andrew Hock

Information E-mailed to Directors:

eResource dated 1/14, 1/22, 1/28	LB 906
Draft Ltr to Christensen	Leg Update dated 1/17, 1/24, 1/31, 2/7
LB 762	NARD Draft Outline for 2014 Bills
Follow up email from Christensen	NARD/NRD response to Christensen
Draft DNR Letter by Russell	LB 762 Draft 1
Ltr from DNR to Stakeholders	News Articles dated 1/24
NARD Bill Outlines	Materials for Jan 28 & 29 mtgs in Lincoln
News Articles dated 1/31	DNR Compact and Request Letters
2014 Leg Session Summary of Bills	Hearings Next Week
Surface Water Purchase	NE RR Compact Compliance Efforts 2014
Hearings Next Week – ES Act – Final	

Information Mailed to Directors:

Agenda	Regular Board Meeting Minutes
Public Hearing Minutes	Public Hearing Agenda
Variance Request 9 & 10 w/backup docs	Financial Report
Profit & Loss Budget vs Actual	Ltr from Bureau of Reclamation dated 2/5/14
Civil Rights Handout	NE Revised Statute 2-3226.05
I & E Report	Scholarship ad
MRNRD Info Handout dated 11/2013	Cost Share Report

Information Distributed at Meeting:

Letter to Dunnigan dated 1/24/14	Ltr to Dunnigan dated 1/31/14
Draft letter to Dunnigan	Ltr from Army Corps of Engineers dated 1/21/14
Ltr to Dunnigan from Hoyt	Spring 2012-2013 Well Report
Email to Kennedy relating to Farm Bill	

REGULAR MEETING

1. The regular monthly board meeting was called to order by Chairman Haag at 1:41 pm.
 - a. Verify Quorum.
 - b. Excused Absences – None.

2. The agenda and roster were circulated to those present.
 - a. Items added to the Agenda since mailing: None.

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 January Regular Board Meeting and Public Hearing were mailed to Directors.

- ♦ Hoyt moved to approve the Minutes from the January Regular Board Meeting and Public Hearing. Seconded by Stinson.

Ayes - 10 Nays – 0 Abstain - McConville Motion Carried

5. Open Hearing for Variance Request at 1:43 p.m.

6. Close Hearing at 1:55 p.m.

7. CONSIDER VARIANCE REQUEST

Discussion held and concern expressed. Board requested staff follow up with insurance or FSA records to ensure there is no increases in acres being watered by end guns.

- ♦ Fornoff moved to approve Variance Request # 9 for Campbell Land and Variance Request #10 for Danny Loomis. Seconded by Anderjaska.

Ayes - 8 Nays – Cappel, Uerling Abstain – Loomis Motion Carried

8. FINANCIAL ACTIONS

A. The January Financial Report and Profit and Loss Budget vs Actual were presented by Russell. The taxes received were \$839,935.74.

- ♦ Fornoff moved to approve the January Financial Report and Profit and Loss Budget vs Actual as presented. Seconded by Hoyt.

Ayes - 11 Nays - 0 Motion Carried

A copy of this report is filed with the Minutes.

9. LEGAL MATTERS

A. Compliance Issues.

Russell went over some recent correspondence to/or from DNR, Bureau of Reclamation and the Army Corps of Engineers (all filed with these minutes).

B. Barger and Others vs. MRNRD.

Russell stated that he and Smith had been working with Schroeder on the case.

10. OPEN FORUM

Dick Hasenauer, Dickens. Requested we use another meeting room when basketball is going on in the gym. He is unable to hear. Stated that he attended the water balance meeting and learned that 7 times more water leaves Nebraska than comes in.

Jay Schilling, McCook. Uerling asked some questions of Schilling. Schilling answered some additional questions from the Board relating to his testimony during the hearing. He also wanted to remind the NRD's that they are also responsible for representing surface water users and feels that ground water users are getting all the water while surface water users get nothing, including no compensation.

William M. Barger, Culbertson. Expressed a liking of the 15" hardcap on Compact Call Years and commented on Schilling and Uerling's recent comments.

Josh Friesen, Wallace. Stated he believes there was some confusion in what Fornoff and Uerling were discussing. Some people have some things that others don't and vice versa.

Mark Towne, Curtis. Concerned about water declines in a recent report he read.

Steve Cappel, Culbertson. Stated he believes we should offer Frenchman Valley and H&RW \$100 per acre foot for surface water purchased.

Rick Spencer, Culbertson. Expressed concerns for exempting surface water from occupation tax.

Kort Kemp, Wallace. Relayed concerns over N-CORPE.

11. REPORTS – AGENCIES, ASSOCIATIONS, OTHERS

A. Natural Resources Conservation Service (NRCS)

1. District Conservation Report – Kennedy went over a handout of some highlights to the farm bill that impact us.

B. Nebraska Association of Resources Districts (NARD)

1. Report – Anderjaska reported on the outcome of the Legislative Conference. He also stated that they will be moving forward with the State Fair Ag Building as the other Districts all approved. The retirement program had good increases this year. The fee under the Obamacare cost \$65,000 which was paid with the increases in dues last year.

C. Nebraska Natural Resources Commission (NNRC)

1. Report – Fornoff reported on the meeting held in Lincoln following Legislative Conference.

D. INFORMATION AND EDUCATION – LAWSON.

Lawson went over his report and answered questions of the Board. He also stated that the Water Conference was moved to Friday, March 7th in McCook and he encouraged all the Board members to attend.

E. NE REPUBLICAN RIVER MANAGEMENT DISTRICTS ASSOCIATION (NeRRMDA)

1. Report – Hoyt reported that the next meeting will be March 19th. Hoyt also included a copy of the letter he sent to DNR requesting their attendance to the meeting and requested feedback from the Board as to any other questions they would like to have brought up from DNR.

2. Resolutions for Feb. 19, 2014 Meeting in McCook at 1 p.m.
None.

F. RRCA.

None.

G. LEGISLATION.

1. NE Water Funding Task Force Report – Fornoff reported on hearing dates and brief information relating to LB940, LB1046 and LB1098.

H. N-CORPE.

1. Status Report. Randel provided an update and stated that he and Loomis have been spending extra time meeting with the patrons along the creek. Russell reported that he had been told that Duval's and Gaedke's have signed their contracts.

2. Construction Progress.

Randel discussed a few issues they have battled during the construction process and that they had requested information relating to how much effect the augmentation project would have on the aquifer over time but haven't received anything yet.

I. OTHERS.

None.

Randel left meeting at 4:22 p.m.

12. GROUND WATER MANAGEMENT AREA

A. GROUND WATER MANAGEMENT AREA

1. REPORTS

(a) WELL PERMITS

None.

(b) SURFACE WATER

None.

(c) METER PROGRAM

None.

(d) EQIP/ARP.

Merrigan went over a request from Wolfe's on 28 acres that are coming out of a temporary program and their willingness to sell those certified acres to the MRNRD at \$1,700 per acre. The Board expressed interest. Merrigan will work with Wolfe's to get ARP paperwork completed for the next meeting.

(e) GROUND WATER COMMITTEE.

Russell will get with the committee to set up a date to meet and rewrite the pooling agreement language and anything else that needs cleaned up in the rules and regulations.

2. RULES AND REGULATIONS – Take Action on Amendments.

Extensive discussion held.

- ♦ Anderjaska moved to approve the amendments to the Rules and Regulations as presented at hearing. Seconded by Fornoff.

Ayes – 5 Nays – Haag, Hoyt, McConville, Uerling, Cappel Motion Failed

Further discussion held.

- ♦ Uerling moved to keep the hardcap set at what the producer had for 2013. Seconded by Hoyt.

Discussion held again. Uerling withdrew his motion. Hoyt agreed upon the withdrawal.

- ♦ Fornoff moved to reconsider the original motion. Seconded by Hoyt.
Ayes – 9 Nays – Uerling Motion Carried
- ♦ Anderjaska moved to approve the amendments to the Rules and Regulations as presented at hearing. Seconded by Fornoff.
Ayes – 6 Nays – McConville, Uerling, Cappel, Hoyt Motion Carried

3. IMP – FINAL FORECAST FOR 2014

a. Compliance Options

i. Consider counteroffer from Frenchman Valley/H&RW of \$100/acre ft. (original offer was \$75/acre ft.)

Palic went over the new request and explained the reason for the counteroffer. He also stated that they would accept two payments so the NRD could pay it out of 2 budget years.

- ♦ Hoyt moved to accept the counteroff from Frenchman Valley and H&RW of \$100/acre feet of physical water released from Enders in split budget years with the earliest release possible date of May 1, 2014. Seconded by Anderjaska.
Ayes – 7 Nays – 0 Abstain – Palic, Uerling, Cappel Motion Carried

ii. Discuss Occupation Tax Exemption for SW purchased.

Uerling went over the Nebraska Revised Statute 2-3226.05(b) which states “a district may exempt from the occupation tax acres that are enrolled in local, state or federal temporary irrigation retirement programs that prohibit the application of irrigation water in the year for which the tax is levied” and proposed that the Frenchman Valley and H&RW surface water acres not be charged occupation tax for 2014.

- ♦ Hoyt moved to consider surface water acres under Frenchman Valley and H&RW as exempt from Occupation Tax under Nebraska Revised Statute 2-3226.05. Seconded by Stinson.
Ayes – 8 Nays – 0 Abstain – Uerling, Cappel Motion Carried

McConville left meeting at 5:31 p.m.

4. NOTICES OF NON-COMPLIANCE ISSUED.

None.

5. CEASE AND DESIST ORDER.

None.

6. TRANSFER REQUESTS:

- a. Initial Review – NONE.
- b. Final Review – NONE.

B. GROUND WATER QUALITY MANAGEMENT AREA.

None.

C. OTHER GROUND WATER ACTIVITY

1. Texaco Fund Claim for \$5,519.68. Merrigan went over the request for a pipeline and tank in a pasture.

- ♦ Uerling moved to approve the claim on the Texaco Fund for \$5,519.68 as presented. Seconded by Palic.

Ayes – 9 Nays – 0 Motion Carried

13. PROGRAMS

A. COST-SHARE FUNDS – LCP/NSWCP.

1. **Approve Applications.** Johnson went over the cost share report.

- ♦ Fornoff moved to approve the February Cost Share Report as presented. Seconded by Palic.

Ayes – 8 Nays – 0 Abstain - Cappel Motion Carried

B. WATERSHEDS.

None.

C. EROSION AND SEDIMENT CONTROL ACT.

None.

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 – Approve Smith to work with legal counsel on pending cases.

- ♦ Fornoff moved to approve Smith to work with legal counsel on pending cases. Seconded by Benjie.

Ayes – 9 Nays – 0 Motion Carried

B. SALES AND RENTAL EQUIPMENT.

None.

C. ELECTIONS: Stinson, Randel, Palic, Hoyt, Forno, Cappel.

Filing deadlines – Feb. 18 Incumbents/Mar. 3 Non-Incumbents.

The next regular meeting will be held Tuesday, March 11, 2014 at 7:30 p.m. at the Community Center, at 201 Garlick Avenue, Curtis, Nebraska.

The meeting was adjourned at 5:36 pm.

Stacie M. Owens
Board Secretary