

PUBLIC NOTICE

The South Platte Natural Resources District will hold a regular public meeting on **Tuesday**, October 12, 2010 at the South Platte Natural Resources District, 551 Parkland Drive, Sidney, Nebraska, at **7:00 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.

FINAL AGENDA

1. Call to Order - Keith Rexroth, Chair
 - A. Nebraska Open Meetings Act
 - B. Legal Notice
 - C. Approval of Expenditures
 1. *Possible November 2010 Committee Meeting Expenditures for Meals
2. Minutes
 - A. Minutes of the September 14, 2010 meeting of the Board of Directors
 - B. Minutes of the September 14, 2010 meeting of the District Operations Committee
 - C. Minutes of the September 14, 2010 Budget Hearing
 - D. Minutes of the September 14, 2010 Special Hearing to Set Final Tax Request
3. *Treasurer's Report for September 2010 and Accounts Payable
4. Public Questions, Comments and/or Concerns
5. Director and Staff Reports
6. Agency Reports
 - A. USDA-Natural Resources Conservation Service (NRCS)
 1. NRCS Report - Kristin Miller, DC-NRCS
 - B. Nebraska Association of Resources Districts (NARD)
 1. NARD Report - Johnson
 2. NARD Annual Conference - Johnson/Rutt
 - a. NARD Resolutions - Johnson/Rutt
 - C. Panhandle Resource Conservation and Development (PRC&D)
 1. PRC&D Report - Burkhart-Kriesel
 - D. Nebraska Department of Natural Resources (NDNR)
 1. NDNR Report
7. Update on the Platte River Recovery and Implementation Program (PRRIP) - Dr. Jerry Kenny, Ph.D., Executive Director
8. Committee Reports
 - A. Natural Resources/Projects & Programs Committee - Hutchison, Chair
 1. Matter Regarding Industrial/Commercial Water Usage Certification
 - a. *Discussion and Action Concerning Baseline Certification
 - i. Dinklage Feed Yard Inc.
 - b. *Discussion and Action as Desired on Variance Requests to Establish Industrial/Commercial Water Usage Certifications(s)
 - i. Chris Ray

- ii. Mueller Cattle Company
 - iii. McClung Aerial Spraying
 - c. *Discussion and Action regarding Non-Baseline Certification
 - i. Donald Winkelman
 - ii. Frank Rauner
 - iii. Val Deane Snyder
 - iv. Michael Smith
 - v. Richard Juelfs
 - 2. Reports on other types of high capacity wells (>50 gallons per minute)
 - a. Dennis Slama
 - b. David Peckham
 - 3. *Discussion and Action as Desired Concerning Readdressing Mr. Perry Van Newkirk/Castronics' Certified Irrigated Acres
 - B. District Operations Committee - Halligan, Chair
 - 1. Report on Programming Data Collection Attributes for Flow Meters
 - 2. *Ratification of the SPNRD Groundwater Guardian Green Site Applications
 - a. SPNRD Buildings and Property Integrated Pest Management Plan
 - b. SPNRD Buildings and Property Ground Water Protection Plan
 - 3. *Discussion and Action on Modification Request to the SPNRD/J.M. Neil & Associates Agreement for Norm Koester's Engineering Service
 - 4. *Action on Final Draft Report on "The Economic Impact of the SPNRD's Integrated Management Plan and Districtwide Ground Water Management Area Rules and Regulations," prepared by Dr. Eric Thompson
 - 5. *Ratify Action by the SPNRD/CHESI Citizens' Monitoring Committee to Renew Six-Month CD Certificate #9118
 - 6. Update on Litigation
9. Correspondence
10. Upcoming Dates
 - A. October 11, 2010 - SPNRD Closed - Columbus Day
 - B. Meetings Planned in Conjunction with the SPNRD Multi-jurisdictional Hazard Mitigation Planning, each beginning at 7:00 p.m.
 - a. October 12, 2010, Kimball Event Center, Kimball, NE
 - b. October 13, 2010, Buckley Trust Building, Chappell, NE
 - c. October 28, 2010, SPNRD Offices, Sidney, NE
 - C. October 21, 2010 - WorkWell Annual Meeting, Rococo Theatre, Lincoln, NE
 - D. October 23, 2010 - Conservation Awards Banquet, Sidney Holiday Inn
 - E. November 9, 2010 - SPNRD Board of Directors Meeting
 - F. November 11, 2010 - SPNRD Closed - Veterans Day
 - G. November 25-26, 2010 - SPNRD Closed - Thanksgiving Holiday
 - H. January 24-26, 2011 - NARD Legislative Conference, Embassy Suites, Lincoln
 - I. March 12-16, 2011 - NRDs Washington, D.C. Legislative Conference
11. Adjourn

MINUTES

The meeting of the South Platte Natural Resources District Board of Directors was held Tuesday, October 12, 2010, at the South Platte NRD Conference Room, 551 Parkland Drive, Sidney, NE at 7:00 p.m. The public notices were published in the Sidney, Chappell and Kimball 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

| | |
|----------------------|---------------|
| Keith Rexroth, Chair | Jim Johnson |
| Tom Biggs, Secretary | Bill Halligan |
| Paul Hutchison | Larry Rutt |

Board Members Absent

Cheryl Burkhart-Kriesel, Vice Chair (excused)

Others Present

Joe Larson, NRCS, Sidney Office

NRD Staff Present

| | |
|--------------------------------------|---|
| Rod L. Horn, General Manager | Linda L. Suhr, Administrative Manager |
| Kyle Liebig, Water Resources Manager | Chris Kaiser, Natural Resources Coordinator |
| Don Ogle, I & E Coordinator | |

Information Material

The following information was provided prior to the meeting or provided at the meeting:

1. October 12, 2010 Tentative and Final, meeting of the SPNRD Board of Directors
2. October 12, 2010 Tentative and Final, meeting of the District Operations Committee
3. October 11, 2010 Tentative and Final, meeting of the Natural Resources/Projects & Programs Committee
4. September 14, 2010 Minutes of the SPNRD Board of Directors meeting
5. September 14, 2010 Minutes of the District Operations Committee meeting
6. September 14, 2010 Minutes of the Budget Hearing
7. September 14, 2010 Minutes of the Special Hearing to Set Final Tax Request
8. September 30, 2010 SPNRD Treasurer's Report
9. October 1, 2010 Manager's Letter
10. October 12, 2010 Manager's Report
11. October 12, 2010 Administrative Manager's Staff Report, September 30, 2010 District Secretary's Report, July 1 - September 30, 2010 Field Office Secretary Reports, Jane Joyce and Hilary Cook
12. October 12, 2010 memo and attachments from Ryan Reisdorff re: Dinklage Feed Yard Inc. Industrial Accounting and Baseline
13. October 11, 2010 letter and attachments from Chris Ray re: Installing flow meter on feedlot well
14. October 11, 2010 letter and attachments from Ryan Reisdorff re: Richard Juelfs
15. October 1, 2010 memo and attachments from Ryan Reisdorff re: McClung Aerial Spraying and Mueller Cattle Company variance requests
16. October 1, 2010 memo and attachments from Ryan Reisdorff re: Donald Winkelman, Frank Rauner, Val Deane Snyder and Michael Smith
17. October 1, 2010 memo and attachments from Ryan Reisdorff re: Dennis Slama and David Peckham
18. Packet of timeline information regarding Perry Van Newkirk, Castronics LLC-offers and cancellation of agreement to purchase conservation easement
19. J.M. Neil & Associates, Inc. invoice for the Sidney Drainage engineering (Norm Koester)

20. Memo from Don Ogle re: Groundwater Guardian Green Site Application, SPNRD Buildings and Property Integrated Pest Management and Ground Water Protection Plans
 21. Draft Final Report from the Bureau of Business Research, Dr. Eric Thompson, "The Economic Impact of the SPNRD's Integrated Management Plan and Districtwide Ground Water Management Area Rules and Regulations
 22. News Articles: South Platte NRD Holds the Line on Property Tax Request; Heineman keeps alcohol ban at McConaughy, allows drinking at other parks; Sidney, Scottsbluff win Range Judging titles; Marathon Oil Company Agrees to Propose and Implement Remedy for Groundwater Contamination at Sidney, NE
 23. Second Quarter 2010 Project Status Report, Clean Harbors Citizens' Monitoring Committee
 24. Directors Per Diem and Expense Form
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2. Call to Order

Keith Rexroth, Chair called the meeting to order at 7:00 p.m. Burkhart-Kriesel was absent and excused. He also announced that agenda item 7 will be postponed due to illness of the presenter.

D. Nebraska Open Meetings Act

Chair Rexroth stated for the record that a copy of the Nebraska Open Meetings Law is posted in the meeting room.

E. Legal Notice

Chair Rexroth stated for the record that the meeting of the SPNRD Board of Directors affidavits of publication is included with these minutes.

F. Approval of Expenditures

9. *Possible November 2010 Committee Meeting Expenditures for Meals

Motion by Halligan second by Rutt to approve the November 2010 committee expenses for meals as discussed. A roll call vote was taken.

Aye: Halligan, Johnson, Hutchison, Rexroth, Biggs, Rutt

Nay: None

Absent: Burkhart-Kriesel

Motion Carried.

10. Minutes

E. Minutes of the September 14, 2010 meeting of the Board of Directors

These minutes were approved as presented.

F. Minutes of the September 14, 2010 meeting of the District Operations Committee

These minutes were approved as presented.

G. Minutes of the September 14, 2010 Budget Hearing

These minutes were approved as presented.

H. Minutes of the September 14, 2010 Special Hearing to Set Final Tax Request

These minutes were approved as presented.

11. *Treasurer's Report for September 2010 and Accounts Payable

Horn reviewed account balances as follows:

| <u>Account Description</u> | <u>September 1, 2010</u> | <u>September 30, 2010</u> |
|----------------------------|--------------------------|---------------------------|
| SPNRD Checking/Repurchase | \$ 225,263.26 | \$ 311,750.30 |

| | | |
|--------------------------------------|---------------|---------------|
| SPNRD Building/Property | \$ 13,009.83 | \$ 13,011.83 |
| SPNRD Vehicle/Equipment | \$ 58,236.49 | \$ 58,246.03 |
| SPNRD Investments Security First CDs | \$ 301,374.25 | \$ 301,596.11 |
| Citizens' Monitoring Committee | \$ 18,024.47 | \$ 18,025.07 |
| SPRCC Combined (includes CDs) | \$ 94,567.24 | \$ 94,567.84 |

Horn reviewed the accounts payable, discussing various items throughout the report. Horn urged the board to ask questions or come at any time to the office and review receipts and/or invoices. Horn reviewed items in the accounts payable which total \$35,858.33. The receipt from Five Points Bank was a refund from Eakes Office Plus for one month's rent on the old Sharp copier. Johnson moved and Halligan seconded the motion to approve the Treasurer's Report and pay the accounts payable in the amount of \$35,858.33. A roll call vote was taken.

Aye: Johnson, Hutchison, Rexroth, Biggs, Rutt, Halligan

Nay: None

Absent: Burkhart-Kriesel

Motion Carried.

12. Public Questions, Comments and/or Concerns

None.

13. Director and Staff Reports

Horn, Suhr and Livingstone submitted written reports. Glanz, Reisdorff and Wittrock were absent. Kaiser, Ogle and Liebig gave oral reports. Rod told the board that Reisdorff is at a Hazard Mitigation Planning meeting in Kimball tonight and will be in Chappell tomorrow night. Suhr added that she attended the NARD annual conference.

- o Kaiser preformed District inspections and dam inspections. He made changes to the well abandonment contracts to add a new contractor. He did surface water, domestic, bacteria and toxic algae sampling and took water levels. He sent out domestic sampling postcards. He entered some pesticide information in the water quality database. The paperwork for last monitoring well location and easement was completed this month for the NET grant, Expanding Hydrogeological Framework in the SPNRD. He completed in-kind reporting sheets for the Section 319 grant and reimbursement request for the Water Quality fund. He and Reisdorff fixed a flush mount monitoring well that was damaged.
- o Ogle distributed the new NARD Tree Book. He passed around the plaques that will be distributed at the Conservation Awards Banquet. He worked at the NARD booth during Husker Harvest Days, where about 3,800 trees were given away. He also attended the NARD Conference. He discussed the retiming of the Pipeline. He attended the Lodgepole Village Board meeting on October 4 where he gave a presentation about SPNRD programs. He did website updates and press releases.
- o Liebig worked on variances, (he plans to have a VAG meeting in November or December) pivot modifications, water accounting and industrial accounting. He met with Bill Sydow, Nebraska Oil and Gas Commission, regarding information available for input into the model. He met with the Flatwater Group and partners to finalize the scope of work. He and Thad Kuntz worked with Leonard Rice Engineering and Tom Hayden regarding historic surface water in the District. He attended ArcMap training in Cheyenne. He attended the Cheyenne County Planning and Zoning meeting regarding Kuehn's Easement. He is working with GIS Workshop on an ArcPad customization. Liebig made maps for Jim Pelster, City of Sidney, which Pelster can use on the City's/County's zoning maps. Liebig evaluated the Lockwood, Johnson, Adamson and Kuehn retired acres, and added them to the acres already retired. He noted that about 1,200 acres are now permanently converted from irrigation to dryland with about 500 acre feet in the water bank. The average stream depletion rate is 46%. He has been receiving calls from landowners interested in selling water to Wyoming. He will keep the board informed about this.
- o Liebig also reported for Glanz stating that about 300 flow meters have been read with about 760 remaining. Pine Bluffs to Sidney subarea is finished and preliminary water usage 9.3" per acre which Liebig said is average for that area; and Sidney to Colorado should be done by the end of this week.

- o Halligan requested an agenda item for the next meeting regarding water for oil wells.

14. Agency Reports

E. USDA-Natural Resources Conservation Service (NRCS)

2. NRCS Report - Kristin Miller, DC-NRCS

Joe Larsen distributed a written report and commented on it.

F. Nebraska Association of Resources Districts (NARD)

3. NARD Report

Johnson gave a brief report on the annual NARD conference held September 26-28, 2010. The November NARD board meeting will be held in Crofton, NE.

4. NARD Annual Conference

a. NARD Resolutions

Johnson and Rutt reported that the resolutions were mostly administrative items. Horn briefly discussed the Basin meeting which was held during the NARD annual conference. All the NRDs involved reviewed their progress with their IMPs.

G. Panhandle Resource Conservation and Development (PRC&D)

2. PRC&D Report

Burkhart-Kriesel was absent and no report was given.

H. Nebraska Department of Natural Resources (NDNR)

2. NDNR Report

Rexroth reported that the NDNR had \$60 million dollars requested from the Resources Development Fund and were able to approve about \$3 million dollars in projects.

15. Update on the Platte River Recovery and Implementation Program (PRRIP)

Dr. Jerry Kenny was not able to come to the meeting due to illness.

16. Committee Reports

C. Natural Resources/Projects & Programs Committee

1. Matter Regarding Industrial/Commercial Water Usage Certification

a. *Discussion and Action Concerning Baseline Certification

i. Dinklage Feed Yard, Inc.

Hutchison moved on behalf of the committee to approve a baseline of 299,315,624 gallons for Dinklage Feed Yard, Inc. Biggs seconded the motion. Discussion was held that there are two industrial wells and one irrigation well that are comingled for use in the feedlot. It was discussed that Peetz is working with M&S Drilling to install two industrial flow meters (the current deadline for flow meters is November 12, 2010) and is working with SPNRD staff to register the two industrial/commercial wells as well as removing the 3 previously decommissioned irrigation wells from NDNR's records. The irrigation well has a flow meter. A roll call vote was taken.

Aye: Hutchison, Rexroth, Biggs, Rutt, Halligan, Johnson

Nay: None

Absent: Burkhart-Kriesel

Motion Carried.

b. *Discussion and Action as Desired on Variance Requests to Establish Industrial/Commercial Water Usage Certifications

i. Chris Ray

Hutchison discussed Chris Ray's request for a variance. Ray has a 3,000 head feedlot south of Chappell. The well that waters the cattle is over 50 gpm; however, Ray has a variable rate valve, which supplies water on demand for the cattle. Ray provided the committee with calculations on average use for the well, at about 29 gpm if the feedlot was at full capacity for an entire year. It would be expensive for the feedlot to install a flow meter or reduce the capacity of the well. The committee did not make a recommendation. Hutchison and the committee need further information and time to evaluate the request. Burkhart-Kriesel suggested lumping feedlots together with a variance that would fit all of them. Further study on this issue is necessary.

ii. Mueller Cattle Company

Hutchison moved on behalf of the committee to approve a prorated variance for a baseline of 5,650,134 gallons (which is 2/5 of the highest pumping year of 14,125,334 gallons) on the condition that all water pumped over the baseline will be offset in its entirety by the Mueller Cattle Company. Rutt seconded the motion. Bill Mueller sells industrial water for sand and gravel mining intermittently from his industrial/commercial well (G-041367) and deducts the use from his irrigation allocation. He has a flow meter installed and has two years of records which were used in determining the highest pumping year. A roll call vote was taken.

Aye: Rexroth, Biggs, Rutt, Halligan, Johnson, Hutchison

Nay: None

Absent: Burkhart-Kriesel

Motion Carried.

iii. McClung Aerial Spraying

Hutchison moved on behalf of the committee to allow McClung Aerial Spraying to establish a baseline in 2012 after three years of flow meter readings have been documented; with the baseline being the highest volume pumped for a twelve month period from August 1 to July 31. Biggs seconded the motion. A flow meter was installed in 2009. It was discussed that this variance is similar to the Frenchman Valley Coop variance granted by the board and there is no way from the power records to document current use. A roll call vote was taken.

Aye: Biggs, Rutt, Halligan, Johnson, Hutchison, Rexroth

Nay: None

Absent: Burkhart-Kriesel

Motion Carried.

c. *Discussion and Action regarding Non-Baseline Certification

i. Donald Winkelman

ii. Frank Rauner

iii. Val Deane Snyder

iv. Michael Smith

v. Richard Juelfs

Hutchison moved on behalf of the committee, that the industrial wells of Donald Winkelman, Frank Rauner, Val Deane Snyder, Michael Smith and Richard Juelfs not receive an industrial baseline certification and all future water pumped will need to be offset by each of them, respectively. Rutt seconded the motion. Hutchison discussed that the five

situations are very similar; none of the industrial wells owned by the aforementioned cooperators were used during the baseline period of August 1, 2001 through July 31, 2006. Therefore none of them have data that would qualify them to have an approved baseline. It was also mentioned by Liebig that Smith and Snyder's wells have already passed in front of the Board through variances and these wells are already beginning offsets by irrigation allocations. A roll call vote was taken.

Aye: Rutt, Halligan, Johnson, Hutchison, Rexroth, Biggs
Nay: None
Absent: Burkhart-Kriesel
Motion Carried.

2. Reports on other types of high capacity wells (≥50 gallons per minute)

- a. Dennis Slama
- b. David Peckham

Hutchison discussed that the Dennis Slama and David Peckham high capacity wells are in temporary deferment. If the wells are ever used an offset will be required.

3. *Discussion and Action as Desired Concerning Readdressing Mr. Perry Van Newkirk/Castronics' Certified Irrigated Acres

Hutchison discussed the past action by the board and the non-action by Castronics which resulted in the SPNRD cancelling the District's offer to purchase 114.4 certified irrigated acres in Kimball County belonging to Castronics by way of a letter dated July 28, 2010. A paper trail of correspondence to and from Mr. Van Newkirk was discussed. Mr. Van Newkirk made no contact with the SPNRD until last week when he called the SPNRD office and requested the offer be revisited. A portion of the 114.4 acres is supposedly being gifted from Mr. Van Newkirk to the City of Kimball for a rail spur. The board was in agreement that additional information from Mr. Van Newkirk was necessary before any discussion of an offer could be made.

D. District Operations Committee

1. Report on Programming Data Collection Attributes for Flow Meters

Halligan explained that this agenda item is for information purposes. Liebig discussed the GIS Workshop ArcPad customization project for use with the District's PDAs. The main use for the software will be flowmeter readings but can also be used for other projects. Liebig anticipates the software should be ready to use in a month.

2. *Ratification of the SPNRD Groundwater Guardian Green Site Applications

- a. SPNRD Buildings and Property Integrated Pest Management Plan
- b. SPNRD Buildings and Property Ground Water Protection Plan

Halligan moved on behalf of the committee to approve the Groundwater Guardian Green Site Application and the SPNRD Buildings and Property Integrated Pest Management Plan and Ground Water Protection Plan. Johnson seconded the motion. Ogle discussed the applications and their importance to the SPNRD's Groundwater Affiliate status as well as the Section 319 NPS grant. A roll call vote was taken.

Aye: Halligan, Johnson, Hutchison, Rexroth, Biggs, Rutt
Nay: None
Absent: Burkhart-Kriesel
Motion Carried.

3. *Discussion and Action on Modification Request to the SPNRD/J.M. Neil & Associates Agreement for Norm Koester's Engineering Service

Halligan moved on behalf of the committee to approve the invoice from J.M. Neil & Associates in the amount of \$9,996.50 and expand the current agreement for an additional 89 hours in the amount \$4,300 for additional work for Norm Koester to complete the project. Rutt seconded the motion. It was discussed that the additional work was necessary to finish the preliminary engineering plans for the dam maps and breach routing downstream of the dams "D" and "F and this request is above the \$10,000 originally approved by the board. Horn discussed that Koester should still meet the deadline of November 1, 2010. Horn reported that he discussed with Gary Person, whether the City of Sidney will cover the additional costs. In regard to this project, Horn and Wittrock met with Gary Person and John Henke from the City of Sidney and discussed some of the concepts brought forward by Koester. A roll call vote was taken.

Aye: Johnson, Hutchison, Rexroth, Biggs, Rutt, Halligan

Nay: None

Absent: Burkhart-Kriesel

Motion Carried.

4. *Action on Revised Draft Report on "The Economic Impact of the SPNRD's Integrated Management Plan and Districtwide Ground Water Management Area Rules and Regulations", prepared by Dr. Eric Thompson

Halligan moved on behalf of the committee to approve the "The Economic Impact of the SPNRD's Integrated Management Plan and Districtwide Ground Water Management Area Rules and Regulations", prepared by Dr. Eric Thompson. Johnson seconded the motion. A roll call vote was taken.

Aye: Hutchison, Rexroth, Biggs, Rutt, Halligan, Johnson

Nay: None

Absent: Burkhart-Kriesel

Motion Carried.

5. *Ratify Action by the SPNRD/CHESI Citizens' Monitoring Committee to Renew Six-Month CD Certificate #9118

Halligan moved on behalf of the committee and Johnson seconded the motion to ratify action by the SPNRD/CHESI Citizens' Monitoring Committee to renew their six-month CD certificate #9118 with First National Bank, Kimball at an interest rate of 1.25%. A roll call vote was taken.

Aye: Rexroth, Biggs, Rutt, Halligan, Johnson, Hutchison

Nay: None

Absent: Burkhart-Kriesel

Motion Carried.

6. Update on Litigation

Horn gave a brief update on the CNPPID litigation.

9. Correspondence

Horn urged the board and staff to read the correspondence in the handout information.

10. Upcoming Dates

J. October 11, 2010 - SPNRD Closed - Columbus Day

K. Meetings Planned in Conjunction with the SPNRD Multi-Jurisdictional Hazard Mitigation Planning, each beginning at 7:00 p.m.

a. October 12, 2010, Kimball Event Center, Kimball, NE

- b. October 13, 2010, Buckley Trust Building, Chappell, NE
- c. October 28, 2010, SPNRD Offices, Sidney, NE
- L. October 21, 2010 - WorkWell Annual Meeting and Awards Banquet, Rococo Theatre, Lincoln, NE
- M. October 23, 2010 - Conservation Awards Banquet, Sidney Holiday Inn
- N. November 9, 2010 - SPNRD Board of Directors Meeting
- O. November 11, 2010 - SPNRD Closed - Veterans Day
- P. November 25-26, 2010 - SPNRD Closed - Thanksgiving Holiday
- Q. January 24-26, 2011 - NARD Legislative Conference, Embassy Suites, Lincoln
- R. March 12-16, 2011 - NRDs Washington, D.C. Legislative Conference

11. Adjourn

With no further business, the meeting adjourned at 8:54 p.m.

Linda L. Suhr, Recording Secretary