

**MINUTES**  
**LOWER REPUBLICAN NATURAL RESOURCES DISTRICT**  
*Lower Republican NRD Meeting Room, 30 North John Street, Alma, NE*  
September 8, 2016 at 7:53 pm

**Board of Directors Meeting**

A notice of the meeting was published in the local newspapers within the District and on the District Website at [www.lmrdr.org](http://www.lmrdr.org).

Budget Hearing immediately followed the conclusion of the 5pm Special Hearing

**FY2017 Budget Hearing**

The Lower Republican NRD FY2017 Budget Hearing was called to order by Chairperson Marlin Murdoch at 7:48 p.m. Michael Clements stated that a notice of this hearing was published in all the newspapers in the District. Highlights of the LRNRD FY2017 Budget were presented. A copy of the budget is in the minute book. County Valuations were reviewed and the amount of property tax needed is \$1,010,100, levy is 0.023218 cents per \$100.

Chairperson Marlin Murdoch adjourned the hearing at 7:53 p.m.

**Informational Material Mailed out Prior to the Meeting**

1. Agenda, 9/16
2. Minutes, Cease & Desist Minutes, Index of Decision, 8/16
3. LRNRD/RWP Treasurer's Report, 8/16
4. NRCS and Staff Reports
5. FY17 LRNRD Budget
6. Resolution Approving Long-Term Agreements Related to the Operation of the Harlan County Lake for compact Call Years.

**Materials Handed out at the Meeting:**

1. Letter from Olsson Associates on Review of RRCA Resolution Approving Long-Term Agreements Related to the Operation of Harlan County Lake for Compact Call Years – August 24, 2016

Chairperson Marlin Murdoch called the meeting of the Lower Republican NRD Board of Directors to order at 7:53 p.m. Marlin Murdoch noted that guests should sign the attendance roster and noted the location of a current copy of the statutes dealing with public meetings laws.

Directors present: Clark Andrews, Dave Bartels, Bill Bose, Matt Harrison, Terry Hoit, Tim Kahrs, Marlin Murdoch, Roger Nelson, Toby tenBensel, Brad Wulf.

Absent: Nelson Trambly.

Others present: Andy Raun, Hastings Tribune, Tammy Fahrenbruch, TBNRD, Troy Fletcher, Oxford, Deb Herman, Inavale, Don Tegtman, Furnas Co. Commissioner. Staff present: Mike Clements, Scott Dicke, Shirlee Poyser, Allan McCoy, Scot Lennemann, and Ron McConnell.

**Motion #1 by Tim Kahrs seconded by Brad Wulf to approve the board minutes and cease and desist minutes from the August board meeting. Motion carried.** Ayes 10, Nays 0, Absent 1.

**Motion #2 by Tim Kahrs seconded by Matt Harrison to approve the LRNRD and RWP Treasurer's Report as presented. Motion carried.** Ayes 10, Nays 0, Absent 1.

Jerry Kovarik, Harlan County NRCS, reported that the 2016 new EQIP contracts are completed. The Regional Conservation Partnership Program (RCPP) has been approved. A meeting was held on September 2<sup>nd</sup>, in McCook to discuss the final rules. The Area Range Judging Contest will be held in Franklin on Wednesday, September 21, at last count there were 279 participants.

Mike Clements reported that the Rural Water Environmental Trust Grant has been submitted for remote meters. It will be February 2017 when we find out about approval. The Republican River Compact Administration (RRCA) met in Burlington, CO, August 24<sup>th</sup>, it was a historic day as the RRCA approved three resolutions which improved water management for all three states. NCORPE will probably refinance the 2013 A& B series bonds as the interest rates are lower than when originally issued. Flatwater presented their most recent excess flows study on the Platte River.

Scott Dicke's reported the big news in August was the RRCA Resolution approving long-term agreements related to the operation of Harlan County Lake for compact call years. This Resolution establishes a long-term agreement to implement modification to Harlan County Lake operations and the RRCA accounting procedures.

The Republican River Basin Plan, required by statute, continues and is entering its second year. The Stakeholder's advisory committee has drafted a guidance document to outline the plan moving forward. DNR is facilitating the meetings and a timeline has been established to meet 6 times over the next 18 months.

The Board has heard the District's evidence regarding the flowmeter tampering allegations against the estate of Gerald Schluntz, Tamara Bishop, and Julie Smith. Counsel for Respondents requested additional time to compile and present their evidence to the Board. The District stipulated to an extension of time for Respondents to reopen the administrative record and submit additional evidence at the next regularly-scheduled District Board Meeting on October 13, 2016.

Bill Bose made a motion to reopen the administrative record for the receipt of additional evidence by Respondents at a public hearing at 5:00 on October 13, 2016, which is two hours prior to the regularly-scheduled District Board Meeting.

**Motion #3 by Bill Bose seconded by Brad Wulf to reopen a Public Hearing on October 13<sup>th</sup>, 2016 at 5 pm for the Estate of Gerald Schluntz, Tamara Bishop and Julie Smith for Flow Meter Tampering.** Motion carried. Ayes 10, Nays 0, Absent 1.

Given that the board has agreed to a continuance of the public hearing of Respondents case, Dave Bartels moved to table a decision of the Board regarding the entry of a cease and desist order and assessment of civil penalties until after the public hearing at 5:00 on October 13, 2016.

**Motion #4 by Dave Bartels seconded by Tim Kahrs to table a decision on the Cease & Desist order and assessment of civil penalties against the Estate of Gerald Schluntz, Tamara Bishop and Julie Smith, until the regularly-scheduled board meeting on October 13<sup>th</sup>, 2016.** Motion carried. Ayes 10, Nays 0, Absent 1.

Mike Clements presented the highlights for the FY2017 budget.

**Motion #5 by Clark Andrews seconded by Dave Bartels to approve the FY2017 Budget as presented.** Motion carried. Ayes 7, Nays 3, Absent 1.

Mike Clements presented the Resolution Approving Long-term Agreements Related to the Operation of Harlan County Lake for Compact Call Years. In a letter from Brian Dunnigan, Olsson Associates summarized their understanding of the Resolution and how it effects the LRNRD: (A copy of this letter is in the minute book.)

- The flexibility and crediting for augmentation that has existed in previous years will be in place for the long-term, subject to a two year opt-out clause. (Resolution Provisions 2-9., and 15.)
- There is no longer a need to release water from Harlan County Lake for the sole purpose of ensuring that water passes a downstream river gage before December 31 for Compact Accounting purposes. (Resolution 1.F., and 9.)
- There Does not need to be 119,000 Acre-feet of irrigation supply in Harlan County Lake to avoid a Water-Short Year compliance test. If there is 68,000 Acre-feet of water in Harlan County Lake and it is all earmarked for Kansas, the Water Short Year compliance test will not apply. (Resolution Provision 11.)
- A trans-basin diversion of water should now automatically qualify for "full credit" if delivered pursuant to a Compact Call Year. (Resolution Provisions 2., and 9.)

Mike Clements attended the NCORPE meeting on August 17<sup>th</sup>. They discussed refinancing the 2013A and B series bonds as interest rate are lower than originally issued. They are still proceeding with the cage free poultry facility.

No comments from the public.

**Motion #6 by Bartels to move that the Board go into Executive session at 8:38 p.m. to discuss eminent litigation. Motion carried. Chairman admonished the board that this is the only subject that can be discussed in closed session.** Ayes 10, Nays 0, Absent 1.

**Motion #7 by Clark Andrews seconded by Dave Bartels to move that the Board come out of Executive Session at 9:27 p.m. and declare that no actions of the board, official or unofficial, were taken during said Closed Session.** Motion carried. Ayes 10, Nays 0, Absent 1.

The next regularly scheduled board meeting will be October 13, 2016 immediately following the 5pm Special Hearing.

The meeting was adjourned at 9:27PM.

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Secretary

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Date