

TWIN PLATTE NATURAL RESOURCES DISTRICT
Board of Directors Meeting
July 11, 2013

The Twin Platte Natural Resources District (TPNRD) Board of Directors meeting was held at the Great Western Bank Meeting Room, Second Floor, 111 South Dewey Street, North Platte, Nebraska on July 11, 2013. Mr. Schilz called the meeting to order at 7:35 pm. A legal notice of the meeting was published in the NORTH PLATTE TELEGRAPH. A news release containing the agenda for the meeting and including the time and place was sent to the news media in the District.

BOARD MEMBERS PRESENT

Eric S Hansen
Dale Margritz
James Meisner
Robert L Petersen
Dennis Schilz
Douglas L Stack
Shane Storer
Joe Wahlgren
Jerry Weaver

BOARD MEMBERS ABSENT

John W Williams
Robert Wiseman

NRCS PERSONNEL PRESENT

Jess Milby, Range Technician

STAFF PRESENT

Ann Dimmitt, IMP Coordinator
Amy Mapes, Administrative Assistant
Kent O Miller, General Manager

OTHERS PRESENT

Doug Hallum, UNL Conservation & Survey Division
Brad Johnson, Sargent Irrigation
Jeff Shafer, NPPD

ANNOUNCEMENTS

Nebraska Open Meeting Act – Mr. Schilz reported that the Nebraska Open Meeting Act requires public bodies to make available at least one current copy of the Open Meeting Act which may be posted in the meeting room at a location accessible to members of the public, and at the beginning of the meeting the public shall be informed about the location of the posted information. Mr. Schilz reported that the current Open Meeting Act was on the counter in the back of the meeting room and accessible to members of the public.

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Report of Directors Excused – Mr. Schilz reported that Operating Policy Number 4: BOARD OF DIRECTORS ABSENCES provides that a Director will be considered excused if the Director notifies the office prior to the meeting that he will be absent and that the minutes will reflect whether an absent Director is excused or unexcused. Mr. Schilz reported that Mr. Williams and Mr. Wiseman notified the office they would be absent and are therefore excused.

Information Packet and Notebook available for the Public – Mr. Schilz reported that on the shelf in the back of the room is a copy of the Board Meeting Notebook and the Board Meeting Information Packet that each Board member has that are available for viewing by the public attending the Board of Directors meeting.

Other Announcements – None presented.

INFORMAL PUBLIC HEARING

Open Proceedings – Dennis Schilz, Chair of the Twin Platte Natural Resources District Board of Directors and Presiding Officer, opened the Public Hearing at 7:38 pm.

Appointment of Hearing Examiner - Mr. Schilz appointed Kent O. Miller, General Manager of the Twin Platte Natural Resources District, Hearing Examiner.

Review of Purpose by Hearing Examiner – Mr. Miller reported that the purpose of the informal public hearing was for hearing testimony in regard to proposed amendments for the Districtwide Ground Water Management Area Rules and Regulations.

Mr. Miller reported that legal notice of the public hearing was required to be published in a newspaper of general circulation in the affected area at least once each week for three (3) consecutive weeks, the last publication of which was not less than seven (7) days prior to the public hearing. Mr. Miller reported that a legal notice of the public hearing was published in the North Platte Telegraph on June 20, 2013, June 27, 2013, and July 4, 2013, and he reported that a copy of the proof of publication was on file and available to view by the public and the Board of Directors. Mr. Miller reported that the legal notice provided information that precise maps and a complete copy of the Rules and Regulations, including the proposed amendments, were available at the TPNRD website www.tpnrd.org and at the TPNRD office located at 111 South Dewey St, 2nd Floor, North Platte, Nebraska.

Mr. Miller reported that copies of the proposed amendments for the Districtwide Ground Water Management Area Rules and Regulations were available for the public in the back of the meeting room and had been provided to the Board of Directors.

Public Testimony - Mr. Miller opened the Hearing for Public Testimony.

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Jeff Shafer, Nebraska Public Power District, thanked the TPNRD for working with NPPD when developing the amendments

Mr. Miller reported that the TPNRD received a letter from Brian Dunnigan, Director, Nebraska Department of Natural Resources. Mr. Miller read the letter.

No additional testimony was presented.

Informal Questions – Mr. Miller asked if there were questions in regard to the Budget.

There were no questions.

Close Proceedings - Mr. Miller turned the Hearing back to the Presiding Officer, Mr. Mr. Schilz.

Mr. Mr. Schilz declared the hearing closed at 7:42 pm.

AMENDMENTS FOR THE DISTRICTWIDE GROUND WATER MANAGEMENT AREA
RULES AND REGULATIONS

Order for Approval – Mr. Miller reported that the TPNRD legal counsel, Harriet Hageman, prepared a draft Order that was available for the Directors’.

Mr. Miller reported that when amendments for the Districtwide Ground Water Area Rules and Regulations are approved, an order needs to be published in a newspaper published or of general circulation in the affected area at least once each week for three (3) consecutive weeks, the last publication of which was not less than seven (7) days prior to the effective date. Mr. Miller reported that the order could be published in the North Platte Telegraph July 18, 2013, July 25, 2013, and August 1, 2013 and an effective date of the amendments for the Districtwide Ground Water Area Rules and Regulations could then be August 8, 2013.

Mr. Meismer moved to approve the Order prepared by Harriet Hageman, Legal Counsel, in regard to the proposed amendments for the Districtwide Ground Water Management Area Rules and Regulations. Mr. Margritz seconded the motion. The motion carried. (Motion #1)

Aye: Hansen, Margritz, Meismer, Petersen, Schilz, Stack, Storer, Wahlgren,
Weaver

Nay: None

Absent & Excused: Williams, Wiseman

PUBLIC FORUM

Mr. Schilz opened the Public Forum.

Doug Hallum, UNL Conservation & Survey Division, introduced himself.

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Mr. Schilz closed the Public Forum.

AGENDA MODIFICATION

None presented.

GENERAL INFORMATION

None presented.

BOARD OF DIRECTORS MINUTES

Minutes for June 13, 2013 Meeting – Mr. Schilz reported that the Minutes for the June 13, 2013 Board of Directors meeting was available for the Directors’ and he asked if there were any corrections or additions.

Mr. Petersen moved that the Minutes of the June 13, 2013 Board of Directors meeting be approved. Mr. Meismer seconded the motion. The motion carried. (Motion #2)

Aye: Hansen, Margritz, Meismer, Petersen, Schilz, Stack, Storer, Wahlgren,
Weaver

Nay: None

Absent & Excused: Williams, Wiseman

REQUESTS FOR ASSISTANCE

North Platte Trails Project – Mr. Schilz reported that during the June 13, 2013 Board meeting, Judy Pederson requested for the North Platte Trails Committee, funding assistance for a North Platte Trails project at Iron Horse Lake.

Mr. Petersen moved to authorize for the North Platte Trails project at Iron Horse Lake \$14,000.00 payable upon evidence provided to the TPNRD that a contract for construction has been executed. Mr. Meismer seconded the motion. The motion carried. (Motion #3)

Aye: Meismer, Petersen, Schilz, Stack, Weaver

Nay: Hansen, Margritz, Storer, Wahlgren

Absent & Excused: Williams, Wiseman

COOPERATING AGENCIES REPORT

USDA Natural Resources Conservation Service (NRCS) – District Conservationist Report – Jess Milby distributed and reviewed a report.

SUBCOMMITTEE MEETINGS REPORT

Land Resources Subcommittee

No report presented.

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SUBCOMMITTEE MEETINGS REPORT
Water Resources Subcommittee

Mr. Meismer, Water Resources Subcommittee Chairperson, presented a report for the Subcommittee meeting held on July 11, 2013.

Ground Water Management – Variances – Village of Sutherland – Mr. Meismer reported that the TPNRD received a request for a variance from the Village of Sutherland. Mr. Meismer asked Mrs. Dimmitt to report on the request.

Mr. Meismer moved the Water Resources Subcommittee’s recommendation to the Board of Directors to approve granting a variance to the Village of Sutherland for a new municipal well permit in the SWSW Section 31, Township 14 North, Range 33 West, Lincoln County. Mr. Weaver seconded the motion. The motion carried. (Motion #4)

Aye: Hansen, Margritz, Meismer, Petersen, Schilz, Stack, Storer, Wahlgren, Weaver
Nay: None
Absent & Excused: Williams, Wiseman

Ground Water Management – Variances – Village of Sutherland – Mr. Meismer reported that the TPNRD received another request for a variance from the Village of Sutherland. Mr. Meismer asked Mrs. Dimmitt to report on the request.

Mr. Meismer moved the Water Resources Subcommittee’s recommendation to the Board of Directors to approve granting another variance to the Village of Sutherland for a new municipal well permit in the SESE Section 36, Township 14 North, Range 34 West, Lincoln County. Mr. Margritz seconded the motion. The motion carried. (Motion #5)

Aye: Hansen, Margritz, Meismer, Petersen, Schilz, Stack, Storer, Wahlgren, Weaver
Nay: None
Absent & Excused: Williams, Wiseman

Ground Water Management – Variances – Lee Sillasen – Mr. Meismer reported that during the June 13, 2013 Board meeting, Lee Sillasen reported that the grass in his meadow along the North Platte River is no longer sub-irrigated due the lowering of the water table caused by the erosion of the North Platte River streambed. Mr. Meismer reported that Mr. Sillasen requested that the Board allow him to install a well and to irrigate this land. Mr. Meismer reported that Mr. Schilz, TPNRD Board Chair, requested the Water Resources Subcommittee to consider Mr. Sillasen’s request and to bring a recommendation to the Board.

Mr. Meismer reported that the Water Resources Subcommittee agreed that the TPNRD Rules and Regulations did not allow the TPNRD to grant Mr. Sillasen’s request to irrigate this land. Mr. Meismer reported that the Water Resources Subcommittee requested the staff to send a letter to Mr. Sillasen to tell him that the Board of Director’s thanks him for coming to the

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June 13, 2013 Board meeting, and that the Water Resources Subcommittee agreed that there is a problem with the sub-irrigation deteriorating in the North Platte River valley where Mr. Sillasen's property is located, and that the Subcommittee will look into options and processes that could possibly help him in his situation.

Ground Water Management – Violations – No report presented.

Ground Water Management - Certified Irrigated Acres – Mr. Wahlgren reported on a proposal presented by Richael Young, University of Illinois Graduate Student, to the Water Resources Subcommittee on June 26, 2013.

Ground Water Management – Management Plan – No report presented.

Integrated Management Plan - Rules & Regulations – No report presented.

Integrated Management Plan - Offset Water - Supplemental Bond Resolution authorizing the issuance of the Twin Platte Natural Resources District's Limited Obligation Occupation Tax Supported River Flow Enhancement Bond for temporary financing and Limited Obligation Occupation Tax Supported River Flow Enhancement Bond for permanent financing for a river flow enhancement project being undertaken by the Nebraska Cooperative Republican Platte Enhancement Project -

A discussion was held concerning the permanent financing (the "2013 Agency Bonds") for a river flow enhancement project (the "Project") being undertaken by the Nebraska Cooperative Republican Platte Enhancement Project (the "Agency") and certain prior resolution approved by the Board (the "Prior Resolution") relating to the District's bond to be issued to the Agency for the purpose of providing funds to pay debt service on the 2013 Agency Bonds. Mr. Meismer stated that the Agency now intends to maintain a debt service reserve fund for the 2013 Agency Bonds, and that it was necessary for the Board to give formal approval to a resolution amending and supplementing the Prior Resolution in order to set out certain agreements on the part of the District related to such fund.

Mr. Meismer moved the Water Resources Subcommittee's recommendation to the Board of Directors the adoption of the following resolution:

RESOLUTION NO. 1-071113

A RESOLUTION OF THE TWIN PLATTE NATURAL RESOURCES DISTRICT, IN THE STATE OF NEBRASKA, AMENDING AND SUPPLEMENTING A PRIOR RESOLUTION OF THE DISTRICT (THE "PRIOR RESOLUTION") AUTHORIZING THE ISSUANCE OF A LIMITED OBLIGATION OCCUPATION TAX SUPPORTED RIVER FLOW ENHANCEMENT BOND, SERIES 2013, IN THE MAXIMUM PRINCIPAL AMOUNT OF NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS (\$25,000,000) AND THE DELIVERY OF SUCH 2013 DISTRICT BOND TO THE

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NEBRASKA COOPERATIVE REPUBLICAN PLATTE ENHANCEMENT PROJECT (AN INTERLOCAL COOPERATION ACT AGENCY, THE “AGENCY”) TO REFLECT CERTAIN OBLIGATIONS OF THE DISTRICT RELATING TO SAID 2013 DISTRICT BOND, AND PARTICULARLY OBLIGATIONS RELATING TO THE DEBT SERVICE RESERVE FUND TO BE ESTABLISHED AND MAINTAINED BY THE AGENCY FOR THE 2013 AGENCY BONDS AS DESCRIBED HEREIN; OTHERWISE AFFIRMING AND RATIFYING THE PRIOR RESOLUTION; REPEALING ANY CONFLICTING RESOLUTIONS AND PROVIDING FOR THE EFFECTIVENESS OF THIS RESOLUTION.

BE IT RESOLVED by the Board of Directors of the Twin Platte Natural Resources District, in the State of Nebraska, as follows:

Section 1. The Board of Directors (the “Board”) of the Twin Platte Natural Resources District, in the State of Nebraska (the “District”) hereby finds and determines that:

(a) pursuant to resolutions previously passed and adopted by the Board on May 9, 2013 (the “Prior Resolution”; capitalized terms used herein and not otherwise defined herein shall have the meanings provided in the Prior Resolution), the District has authorized the issuance of its 2013 District Bond to be delivered to the Agency for the purpose of supporting the 2013 Agency Bonds to be issued by the Agency in order to provide funds to finance and refinance the Project; and

(b) the Agency has determined that it is necessary and appropriate to establish a debt service reserve fund (the “Reserve Fund”) in the indenture of trust governing the 2013 Agency Bonds (the “Agency Indenture”) in an amount to be determined by the Agency and its underwriter, but not to exceed the maximum amount permitted to be maintained in a reasonably required reserve or replacement fund under federal tax laws to be funded from proceeds of the 2013 Agency Bonds and other funds available for such purposes (which Reserve Fund may reduce funds otherwise available from proceeds of the 2013 Agency Bonds previously intended to reimburse the District for District funds previously contributed to the Project); and

(c) the provisions of the Agency Indenture establishing and governing the Reserve Fund will require the Reserve Fund to be replenished in the event that the Trustee for the 2013 Agency Bonds is ever required to draw funds from the Reserve Fund; and

(d) The District is willing to commit to replenish the Reserve Fund as and to the extent drawn upon, as described herein.

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Section 2. The Prior Resolution is hereby amended and supplemented by adding a new Section 11A, to be inserted immediately before Section 12 of the Prior Resolution, as follows:

Section 11A. The District acknowledges that the Agency Indenture governing the 2013 Agency Bonds may include a provision for the establishment of a debt service reserve fund (the “Reserve Fund”) and that certain proceeds of the 2013 Agency Bonds and other available funds of the Agency (which may include funds previously contributed by the District) may be used to fund the Reserve Fund. Under the terms of the Agency Indenture, the Trustee is required to draw funds from the Reserve Fund in order to make payments on the 2013 Agency Bonds in the event sufficient funds are not on deposit in the Bond Fund (as defined in the Agency Indenture) established under the Agency Indenture. In such event, the Agency is required under the Agency Indenture to give notice of such deficiency, including the amount thereof (a “Deficiency Notice”) to each of the Member Districts, including the District, within ten (10) days following the Interest Payment Date (as defined in the Agency Indenture) or any principal maturity date on which the deficiency and draw on the Reserve Fund occurred. Upon receipt of such Deficiency Notice, the District agrees, within eighteen (18) months after receipt of the Deficiency Notice, to deliver to the Trustee an amount equal to twenty-five percent (25%) of the entire deficiency described in the Deficiency Notice to be used to replenish the Reserve Fund to the amount required under the Agency Indenture. Amounts payable under this Section 11A shall be in addition to, and not in limitation of, any other payments to be made with respect to the 2013 District Bond as described in the Prior Resolution. The District acknowledges that any obligations of the Agency to reimburse the District for sums paid to the Agency by the District under this Section 11A (and all other obligations of the Agency to the District relating to funds contributed by the District to the Agency for the Project) are subordinate in all respects to the obligations of the Agency under the Indenture, the 2013 Agency Bonds and any other Bonds issued under the Indenture.

Section 3. The Prior Resolution, as amended and supplemented hereby, are ratified and affirmed in all respects. This Resolution shall be in force and take effect from and after its adoption as provided by law.

ADOPTED this 11th day of July, 2013.

Chairman

ATTEST:

Secretary

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Mr. Wahlgren seconded the motion. The motion carried. (Motion #6)

Aye: Hansen, Margritz, Meismer, Petersen, Schilz, Storer, Wahlgren,
Weaver
Nay: Stack
Absent & Excused: Williams, Wiseman

Integrated Management Plan - Offset Water - Nebraska Cooperative Republican Platte Enhancement Project (N-CORPE) – Mr. Miller reported on the status of the N-CORPE project.

Integrated Management Plan – Offset Water – Irrigation Districts – No report presented.

Integrated Management Plan – Offset Water – Conjunctive Management of Ground Water & Surface Water – No report presented.

Integrated Management Plan – Offset Water – J2 Re-regulating Reservoir – Mr. Miller reported on the status of the J2 Re-regulating Reservoir.

Integrated Management Plan – Offset Water – CPNRD – No report presented.

Integrated Management Plan – Offset Water – Platte Basin Coalition Conservation Study – No report presented.

Over Appropriated Basin Plan - Annual Meeting – June 20, 2013 – Sidney, NE - Mr. Miller reported that a CNPPID letter, dated June 20, 2013, which was submitted during the Over Appropriated Basin Plan 2013 Annual Meeting held on June 20, 2013, was available for the Directors'. Mr. Miller reported that the NRDs in the Upper Platte River Basin and the NE DNR will prepare a response to the CNPPID letter

Over Appropriated Basin Plan - Annual Meeting – June 19, 2014 – Sidney, NE - Mr. Miller reported that the Over Appropriated Basin Plan 2014 Annual Meeting is scheduled for June 19, 2014 in Holdrege, NE.

Data and Modeling - COHYST - No report presented.

Data and Modeling - N-CORPE Regional Model - No report presented.

Data and Modeling - North Platte River below Lake McConaughy - No report presented.

Data and Modeling - CPNRD & TPNRD Project –Mr. Miller reported that the TPNRD needs to complete airborne data for all of the TPNRD. Mr. Miller reported that the CPNRD and TPNRD have requested a proposal from XRI Geophysics (Jim Cannia) for Dawson County in the CPNRD and for the Platte River corridor, the Birdwood Creek area, and the N-CORPE area in the TPNRD and in the MRNRD. Mr. Miller reported that the CPNRD and the

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TPNRD are preparing an application to Nebraska Environmental Trust for a grant to fund 75% of the project. Mr. Miller reported that the project costs are \$331,000.00 (25% is \$82,750.00) for the area within the TPNRD, \$191,000.00 (25% is \$47,750.00) for the area within N-CORPE, and \$399,000.00 (25% is \$99,750.00) for the area within the CPNRD.

Mr. Meisner moved the Water Resources Subcommittee’s recommendation to the Board of Directors to approve participating in the Nebraska Environmental Trust grant application for Advanced Hydrogeologic Framework for Aquifer Management in Critical Sections of the Platte. Mr. Wahlgren seconded the motion. The motion carried. (Motion #7)

Aye: Margritz, Meisner, Petersen, Schilz, Storer, Wahlgren, Weaver
Nay: Hansen, Stack
Absent & Excused: Williams, Wiseman

Data and Modeling - Nebraska Oil & Gas Commission – Mr. Miller reported that data is available from around 100 wells in the TPNRD and that the NE Oil & Gas Commission staff will be working with Landon Shaw, TPNRD Hydrologist, to interrupt the data.

Data and Modeling - Geologic Drillings in the TPNRD – Mr. Miller reported that Glen Bowers and the NARD are working to obtain 9 to 11 geologic borings within the TPNRD that will be fully funded by grants. Mr. Miller reported that the locations would be located along proposed airborne flight lines.

Water Funding Task Force - Mr. Meisner reported that information was available for the Directors’.

SUBCOMMITTEE MEETINGS REPORT
Wildlife Habitat & Urban Affairs Subcommittee

No report presented.

SUBCOMMITTEE MEETINGS REPORT
Executive Subcommittee

No report presented.

FINANCIAL REPORT

Financial Statement - Mr. Meisner reported that the Financial Statement for June 2013 was available for the Directors’.

Accounts Payable - Mr. Meisner reported that the Accounts Payable report was available for the Directors’ and that he had reviewed the Accounts Payable and found the report to be in order.

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Mr. Meismer moved that the Financial Statement for June 2013 be received and placed on file for audit and to approve payment of the invoices presented on July 11, 2013 in the amount of \$21,978.66. Mr. Petersen seconded the motion. The motion carried. (Motion #8)

Aye: Hansen, Margritz, Meismer, Petersen, Schilz, Stack, Storer, Wahlgren,
Weaver
Nay: None
Absent & Excused: Williams, Wiseman

Budget Status – No report presented.

Bids/Proposals – None presented.

Bids Scheduled to be Presented for Consideration during the August 8, 2013 Board of Directors Meeting – Mr. Miller reported that the District Policy provides that “The staff will notify the Board during the Board meeting immediately prior to the Board meeting at which bids will be presented for consideration”. Mr. Miller reported that there would be no bids presented during the August 8, 2013 Board meeting.

DIRECTORS REPORTS

Nebraska Association of Resources Districts (NARD) – Board of Directors – No report presented.

Sandhills Resources, Conservation & Development Council – No report presented.

Requests for Authorization to Travel – No requests were presented.

DISTRICT REPORT

Water Programs – Integrated Management Plan – No report presented.

Water Programs – Regulatory – No report presented.

Brule Watershed – No report presented.

Conservation Programs - Trees – No report presented.

Conservation Programs - Regulatory – No report presented.

Cost-Share Programs – NE Soil & Water Conservation Program – No report presented.

Cost-Share Programs – District Conservation Programs – Mr. Miller reported that a report was available for the Directors’. Mr. Miller reported that \$8,740.00 was available for new contracts.

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Habitat Programs – No report presented.

Information & Education Programs – No report presented.

Requests for Authorization to Travel – No requests presented.

Meetings and Dates of Interest – Mr. Miller reported that various items of information were available for the Directors’.

Miscellaneous Information – Mr. Miller reported that various items of information were available for the Directors’.

BUDGET FOR 2014 FISCAL YEAR

Preparation Schedule – Mr. Miller reported that a schedule for preparing the 2014 Fiscal Year Budget for the TPNRD was available for the Directors’. Mr. Miller reported that the schedule provides the Board four opportunities to review and discuss the Budget prior to final approval.

Review Draft #2 – Mr. Miller reported that draft #2 for the 2014 Fiscal Year Budget was available for the Directors’. Mr. Miller reviewed the second draft.

Occupation Tax Budget for N-CORPE - Mr. Miller distributed and reviewed the first draft of a budget for the Nebraska Cooperative Republican Platte Enhancement Project (N-CORPE) for the 2014 Fiscal Year that will be funded by an Occupation Tax.

OTHER BUSINESS

There was no other business.

ADJOURNMENT

The meeting adjourned at 9:20 pm.

Jerry Weaver, Secretary