

CENTRAL PLATTE NRD
Board Meeting Agenda
December 22, 2016 – 2:00 p.m.

CALL TO ORDER

This is an open meeting of the Central Platte Natural Resources District. The NRD abides by the Open Meetings Act in conducting business. A copy of the Open Meetings Act is displayed on the south wall of this room as required by State law. The Board reserves the right to change the order of an item on the agenda and some items on the agenda are subject to closed session.

MEETING NOTICES

MEETING MINUTES

ANNOUNCEMENTS & OTHER BUSINESS FOR FUTURE MEETINGS

PUBLIC FORUM

BUSINESS:

1. Natural Resources Conservation Service (NRCS) Report – Joe Krolkowski, USDA-NRCS District Liaison
2. Excused Absences
3. Eastern Projects Committee – Report & Take Action
 - a. Prairie/Silver/Moores Creek Flood Control Project Construction Bids
 - b. Wood River Flood Control Project Contract Proposal by JEO Engineering to develop an Emergency Preparedness Plan
4. Water Resources Committee – Report & Take Action
 - a. Groundwater Exchange buyer and seller bids received
 - b. Sub-Regional Groundwater Model Contract with Olsson Associates to develop a 'real-time' tracking of water recharged to the aquifer
 - c. Erosion & Sediment Control Program – set a hearing date
5. Nominating Committee's recommendations for board chair and vice-chair. The election will be held at the January 26th meeting.

6. Proposed Extension of the Platte River Recovery Implementation Program Report – Mark Czaplewski
7. Nebraska Association of Resources District
 - a. Report – Jim Bendfeldt
 - b. Elect a Voting Delegate & Alternate for the NARD Legislative Conference
8. Nebraska Natural Resources Commission Report – Mick Reynolds
9. Cost Share Program Applications – Kelly Cole
10. Financial Reports – November & December
11. Upcoming Events
 - a. December 26, Christmas Day Observed (Office Closed)
 - b. January 2, New Year's Day Observed (Office Closed)
 - c. January 5, Middle Platte Basin Executive Committee Meeting with Twin Platte & Tri-Basin NRDs – 11:00 a.m., Twin Platte NRD, North Platte
 - d. January 6, Nebraska Natural Resources Commission Middle Platte Basin Representative Vote – 11:00 a.m. in CPNRD Board Meeting Room
 - e. January 9-11, GMDA Winter Conference, Ft. Worth, Texas
 - f. January 23-25, NARD Legislative Conference, Lincoln
 - g. March 18-22, NARD Legislative Conference, Washington, DC
12. Next Board Meeting – January 26, 2017, 2:00 p.m.
13. Other Business

CENTRAL PLATTE NRD
Board Meeting Minutes
December 22, 2016

CALL TO ORDER: Chairman Ed Kyes called the meeting to order at 2:05 p.m. He reported that the NRD abides by the Open Meetings Act in conducting business and said that a copy of the Open Meetings Act was displayed on the south wall of the conference room, that the Board reserves the right to change the order of an item on the agenda, and some items on the agenda are subject to closed session.

ATTENDANCE: Board members present were:

LeRoy Arends	Dwayne Margritz	Jay Richeson
Jim Bendfeldt	Charles Maser	Bob Schanou
Charles Bicak	Jerry Milner	Steve Sheen
Alicia Haussler	Barry Obermiller	Keith Stafford
Chris Henry	Ladd Reeves	Deborah VanMatre
Brian Keiser	Marvion Reichert	Jerry Wiese
Ed Kyes	Mick Reynolds	

Excused Absence – Ed Stoltenberg

Staff present: Lyndon Vogt – General Manager, Duane Woodward – District Hydrologist, Mark Czaplewski – District Biologist, Dianne Miller – Administrative Director, Jesse Mintken – Assistant Manager, Marcia Lee – Information Education Specialist, Kelly Cole – Programs Coordinator, Luke Zakrzewski – GIS Image Analyst, Tricia Dudley – Resources Conservationist.

Others present – Joe Krolkowski – NRCS Liaison District Conservationist, Grand Island, Randy Zach – NPPD, Columbus, Dean Krull – University of NE/Lincoln Extension, Grand Island, Doug Reeves – Central City, Keith Ostermeier – Grand Island, and Lori Potter – Kearney Hub.

MEETING NOTICES: Chairman Kyes reported that the notices of the meeting had been sent to the news media as required by law.

MEETING MINUTES: Alicia Haussler made the motion to approve the November board meeting minutes. Marvion Reichert seconded the motion. All board members present, voting by roll call vote, were in favor except Barry Obermiller and Bob Schanou who abstained. Motion carried.

ANNOUNCEMENTS & OTHER BUSINESS FOR FUTURE MEETINGS: Chairman Kyes asked if there were any announcements or suggestions for future meetings. There were none.

PUBLIC FORUM: Chairman Kyes asked if anyone wanted to address the board on any

item not included on the agenda. No one requested time to speak.

NATURAL RESOURCES CONSERVATION SERVICE (NRCS) REPORT: Joe Krolikowski, NRCS Liaison District Conservationist, Grand Island, briefly reported on the Wetland Mitigation Banking Program and said more information had been posted on drop box for the directors (see enclosed).

EXCUSED ABSENCES: Chairman Kyes reported that Ed Stoltenberg had requested to be excused from the board meeting.

Marvion Reichert made the motion to approve the absences as requested. Alicia Haussler seconded the motion. All board members present, voting by roll call vote, were in favor. Motion carried.

EASTERN PROJECTS COMMITTEE – REPORTS & ACTION: Mick Reynolds, chairman of the Eastern Projects Committee, reported on their meeting held earlier that day.

Prairie/Silver/Moores Creek Flood Control Project Construction Bids – Mick said there were 11 bidders for the construction on Cells SCLL4-5 Phase 1 and SCLL4N-E addition. He said the bids ranged from about \$2.3 million up to \$4.6 million. He said the low bid was \$2,299,175.00 from Van Kirk Bros. Contracting of Sutton, NE.

Mick Reynolds said it was the recommendation from the Eastern Projects Committee, and he made the motion, to accept the low bid from Van Kirk Bros. Contracting in the amount of \$2,299,175.00 for the two cells on the Prairie/Silver/Moores Creek Flood Control Project. Bob Schanou seconded the motion. All board members present, voting by roll call vote, were in favor. Motion carried.

Wood River Flood Control Project Contract Proposal by JEO Consulting Group to Develop an Emergency Preparedness Plan – Mick said the other item discussed was a contract proposal by JEO Consulting Group to develop an emergency preparedness plan for the Wood River Flood Control Project System Wide Improvement Framework (SWIF). The bid to develop the plan is \$35,000.00.

Mick Reynolds said it was the recommendation of the Eastern Projects Committee, and he made the motion, to approve a contract with JEO Consulting Group to develop an emergency preparedness plan for the Wood River Flood Control Project. Alicia Haussler seconded the motion. All board members present, voting by roll call vote, were in favor. Motion carried.

WATER RESOURCES COMMITTEE – REPORTS & ACTION: Jay Richeson, committee chairman, reported on their meeting held earlier that day.

Groundwater Exchange Buyer & Seller Bids Received – Jay said the committee reviewed the buyer and seller bids. He said there were approximately five or six bids from buyers and approximately 25 bids from sellers. A little less than one half of the sellers matched up with buyers.

Jay Richeson made the motion to approve the recommendation of the Water Resources Committee to approve the Groundwater Exchange bids as reviewed at their meeting. Ladd Reeves seconded the motion. All board members present, voting by roll call vote, were in favor. Motion carried.

Sub-Regional Groundwater Model Contract with Olsson Associates to Develop a Real-time Tracking of Water Recharged to the Aquifer – Jay said the committee also discussed a proposal for a contract with Olsson Associates to develop a real-time tracking of water recharged to the aquifer at an approximate cost of \$98,500.00. He also said the Platte River Recovery Implementation Program is interested in sharing the cost at 50%. He said Olsson Associates has indicated the model could be completed in five to six months.

Jay Richeson said the Water Resources Committee is recommending, and he made the motion to approve, a contract with Olsson Associates to develop a sub-regional groundwater model for real-time tracking of water recharged to the aquifer at a cost of \$98,500.00 to be cost shared with the Platte River Recovery Implementation Program. Marvion Reichert seconded the motion. All board members present, voting by roll call vote, were in favor. Motion carried.

Erosion & Sediment Control Program Hearing Date – Jay said the committee also discussed setting a hearing date for the Erosion & Sediment Control Program proposed amendments.

Jay Richeson made the motion to approve the Water Resources Committee's recommendation to set the hearing date for proposed amendments to the Erosion & Sediment Control Program for January 26th at 1:45 p.m. Deborah VanMatre seconded the motion. All board members present, voting by roll call vote, were in favor. Motion carried.

NOMINATING COMMITTEE'S RECOMMENDATIONS FOR BOARD

CHAIRMAN AND VICE-CHAIRMAN: Alicia Haussler reported for the Nominating Committee (Alicia, Jay Richeson and Jerry Wiese). She said they are recommending Jim Bendfeldt for chairman and Mick Reynolds for vice-chairman. She said both indicated they would be willing to serve. The board officer election will be held at the January board meeting.

PROPOSED EXTENSION OF THE PLATTE RIVER RECOVERY

IMPLEMENTATION PROGRAM – REPORT: Mark Czaplewski, District Biologist, reported the Program's Governance Committee met on December 6 & 7 in Denver. He

said the Governance Committee reviewed and approved a 2017 budget and annual work plan. The \$19.1 million budget includes \$12.7 million for water projects and focuses on aggressively moving forward on water projects. They approved an amendment to the Water Use Lease Agreement it holds with Central Platte NRD. The amendment modifies the pricing section of the Agreement that generally maintains the price paid for surface water diverted for recharge at \$43/acre-foot, raises the payment for transferred surface water from around \$43 to \$150/acre-foot, and reduces the increase in annual costs from 7% to 3%. These changes bring the value of water Central Platte NRD sells the Program to levels in line with those being paid to other contributors. The original Agreement was signed in 2013 and the Amended values take effect on January 1, 2017. After the Governance Committee met, the Program's Finance Committee met to start to work out the major remaining piece needed to complete the Proposal to extend the First Increment for an additional 13 years after the current timeframe expires at the end of 2019. The Governance Committee is beginning to develop a "roadmap" of activities that need to be addressed at the State and Federal level to secure needed funding and permitting approvals. The next Governance Committee meeting is scheduled for March 7 & 8 in Kearney.

NE ASSOCIATION OF RESOURCES DISTRICTS REPORT: Jim Bendfeldt said he did not have a NARD board report but reminded the directors of the upcoming NARD Legislative Conference in Lincoln on January 23, 24 and 25. He stated that the conference is a great learning experience and opportunity to meet the new senators.

Elect Voting Delegate & Alternate for NARD Legislative Conference – Chairman Kyes said the board needed to select a voting delegate and alternate for the conference.

Jay Richeson made the motion to elect Jim Bendfeldt as the voting delegate and Jerry Wiese as the alternate for the NARD Legislative Conference in January. Ladd Reeves seconded the motion. All board members present, voting by roll call vote, were in favor except Jim Bendfeldt and Jerry Wiese who both abstained. Motion carried.

NE NATURAL RESOURCES COMMISSION REPORT: Middle Platte Basin Commission member Mick Reynolds reported that on December 12th the Commission met and approved six projects of \$250,000.00 or less for a total of \$1,057,969.60 and approved four projects that were over \$250,000.00 for a total of \$17,670,901.70. He said they have a balance held over for the next round of applications of \$5,276,490.00. He also reported they approved \$800,796.00 to combined sewer overflow projects in Omaha.

COST SHARE PROGRAM: Applications – Programs Coordinator Kelly Cole reported that we have received applications for the following cost share programs: NE Soil and Water Conservation Program, Center Pivot Incentive, Tree Planting, Grassland Conservation, Flow Meter, and Well Decommissioning (see enclosed). She said the applicants are in compliance with the District's rules and regulations, funds are available, and recommended they be approved.

Marvion Reichert made the motion to approve the cost share applications as reported. Jim Bendfeldt seconded the motion. All board members present, voting by roll call vote, were in favor. Motion carried.

FINANCIAL REPORT: Because the November board meeting was a week early both the November and December financial reports were acted on.

Ladd Reeves asked about the payment to BKD LLP on the cyber security investigation. General Manager Lyndon Vogt said we had planned to have a report at this board meeting but that company had called and indicated that a preliminary report will not be available for a few more days. He also said the cost of the investigation will be reimbursed by our insurance company.

Question was also asked as to why there was a difference in the November 23rd ending balance on the November report (\$152,837.12) and the November 23rd ending balance shown on the December report (\$152,380.27). Administrative Director Dianne Miller said it may have been that an interim check was not included on the report but said she would find out for sure. The ending balance shown on December 22nd was correct.

Marvion Reichert made the motion to approve the November and December reports. Deborah VanMatre seconded the motion. All board members present, voting by roll call vote, were in favor. Motion carried.

UPCOMING EVENTS: Chairman Kyes briefly reviewed the upcoming events.

OTHER BUSINESS: Next meeting -- Scheduled for January 26th at 2:00 p.m. Details to follow.

Commission Election -- General Manager Vogt said the Natural Resources Commission caucus will be held at our office on January 6th at 11:00 a.m. to elect a representative for the Middle Platte Basin which is a position shared by Central Platte NRD and Twin Platte NRD. He said Mick Reynolds who is the current representative indicated his willingness to continue serving as the representative. All directors elected at the general election will have to be sworn in before the caucus in order to vote on the basin representative.

Awards Event -- General Manager Vogt said the Awards Recognition Event would begin at 4:00 p.m. that afternoon at the Balz Reception Hall with presentation of the awards at 5:00 p.m.

Because outgoing board member Charlie Bicak was not able to attend the Awards Presentation later that day he was presented with an award in appreciation of his dedication and service as a Central Platte NRD director totaling 13 years, which included having served on several committees as well as having served as vice-chairman and chairman. General Manager thanked him for his service to Central Platte NRD, that his service was greatly appreciated and said he would be missed.

Charlie said "Serving with you all on the board and also staff, you are excellent, progressive people, always concerned about what is in the best interest of the citizens in our region of the Central Platte and the wise use of our resources. As I said last month I've never done more important work than what is done by you all on the board and by your staff. Thank you."

ADJOURN: Chairman Kyes adjourned the board meeting at 2:32 p.m.

United States Department Of Agriculture

 
Natural Resources Conservation Service
Grand Island Field Office
2550 N. Diers Ave., Suite L
Grand Island, NE 68803
Phone (308) 395-8586 (Ext. 3)

<http://www.ne.nrcs.usda.gov>

December 20, 2016

Central Platte NRD
215 North Kaufman Avenue
Grand Island, NE 68803

December Report to CPNRD

Attached is more information and explanation on the Wetland Mitigation Banking Program. During the November meeting the Central Platte NRD Board members requested NRCS provide additional assistance to them in determining if there was a need for these Mitigation Banks. Per literature in the 2014 Farm Bill, in an effort to help offset impacts to wetlands for agricultural production, the U.S. Department of Agriculture (USDA) has begun to fund wetland "banks" to help landowners compensate for impacts made to wetlands on their properties. The USDA's Natural Resources Conservation Service began soliciting proposals from states, local governments and other qualified entities to set up and expand wetland mitigation banks. Wetland mitigation banks are designed to help individuals and companies offset the negative environmental impacts of draining or filling wetlands. Those who choose to, may buy "credits" if they are available, which will in turn fund the restoration, enhancement, or creation of other wetlands. (Please see the other attachments for more explanation.)

Respectfully Submitted,

/s/ Joe Krolikowski

Joe Krolikowski
District Conservationist

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News Release

USDA to Fund Agricultural Wetland Mitigation Banks in 10 States

New option to help producers comply with Farm Bill's Wetland Conservation provisions

WASHINGTON, Aug. 18, 2016 – Natural Resources Conservation Service (NRCS) Chief Jason Weller today announced that the U.S. Department of Agriculture is investing more than \$7 million to fund agricultural wetland mitigation banks in 10 Midwest and Northern Great Plain states.

The Wetland Mitigation Banking Program, created by the 2014 Farm Bill, helps states, local governments or other qualified partners develop wetland mitigation banks that restore, create or enhance wetland ecosystems, broadening the conservation options available to farmers and ranchers so they can maintain eligibility for other USDA programs.

"Wetlands are vital and dynamic ecosystems that provide important functions—from groundwater recharge to prime wildlife habitat," Weller said. "USDA's new Wetland Mitigation Banking Program will ensure meaningful wetland restoration and protection on the landscape while expanding options for farmers and ranchers."

Wetland mitigation banking uses a market-based approach to restore, create or enhance wetlands in one place to compensate for unavoidable impacts to wetlands at another location. Banked wetland mitigation credits are made available after the restoration, creation or enhancement of previously converted wetlands protected by a conservation easement. Wetland mitigation requires the replacement of all lost wetland functions, values and acres.

Today's announcement includes funding for eight new wetland mitigation banks, and will help two existing banks expand to meet the needs of agriculture operations. Below is a list of impacted states and selected projects:

- Georgia – Corblu Ecology Group, LLC
- Illinois – Magnolia Land Partners, LLC
- Iowa – Iowa Agricultural Mitigation, Inc.
- Michigan – Michigan Quality of Life Agencies (Department of Natural Resources, Department of Agriculture and Rural Development and Department of Environmental Quality)

- Minnesota – Minnesota Board of Water and Soil Resources
- Missouri – Minton Environmental Consultants, LLC,
- Nebraska – Westervelt Ecological Services, LLC
- North Dakota – Dakota Wetland Partners, LLC
- Ohio – North Coast Regional Council of Park Districts
- South Dakota – Dakota Wetland Partners, LLC

A complete list of the selected, multi-year projects with short descriptions is available on the [wetland mitigation banking page](#).

Nebraska Short Description

Sponsor: Westervelt Ecological Services, LLC (WES)

Funding: \$ 991,780

Westervelt Ecological Services, LLC (WES) is one of the most experienced, for-profit wetland mitigation banking companies in the nation. This bank will be located in south central Nebraska's Rainwater Basin. The Rainwater Basin provides critical migration habitat for millions of migrating birds. Nebraska's Board of Educational Lands and Funds (BELF) will assist WES by providing wetland mitigation banking sites. BELF also will hold the easements for the restored wetlands created within the bank.

This announcement follows a request for proposals earlier in 2016. USDA sought projects that would support local efforts to conserve wetlands in geographic areas where the potential for agricultural wetland conversion is high. USDA also considered the applicants' experience with wetland mitigation banking and their ability to provide wetland credits within two years.

Since 2009, USDA has invested more than \$29 billion to help producers make conservation improvements, working with a record 500,000 farmers, ranchers and landowners to protect land and water on more than 400 million acres nationwide.

Conservation Compliance and Wetland Mitigation Banking



NRCS Selects Wetland Mitigation Banks in Fiscal Year 2016

NRCS is investing more than \$7 million to fund agricultural wetland mitigation banks in 10 Midwest and Northern Great Plain states. Projects were selected based on the extent of wetland compliance workload in their target area, applicant experience, and their potential to provide wetland credits within two years. In total, NRCS received 24 applications from potential partners.

What Is Mitigation Banking?

Wetland mitigation banking is the restoration, creation or enhancement of wetlands for the purpose of compensating for unavoidable impacts to wetlands at another location. Wetland mitigation banking is commonly used to compensate for wetland impacts from development, but it is also used for impacts from agriculture.

Conservation compliance provisions for wetlands, commonly called Swampbuster provisions, aim to remove certain incentives to produce agricultural commodities on converted wetlands. Producers seeking benefits through most USDA programs must meet conservation compliance by filing form AD-1026, affirming they will not drain, dredge, or fill wetlands in order to grow commodity crops. In situations where avoidance or on-site mitigation is challenging, the Farm Bill allows for off-site mitigation through mitigation banking.

How Mitigation Banking Works

Producers can buy credits from wetlands mitigation banks to compensate for the impact of lost wetlands. Wetland mitigation banks are established through the restoration, creation or enhancement of wetlands. When a mitigation bank is established, the landowner retains ownership and use of the property, while a conservation easement protects the wetlands from degrading activities. The size and scope of the wetland restoration, creation or enhancement activities determine the quantity of credits available for sale. The price of credits is negotiated between the buyer and seller. For NRCS, the National Food Security Act Manual outlines the mitigation requirements for conservation compliance.

How Mitigation Banks Are Developed

Bank sponsors develop mitigation banks. A bank sponsor is any individual or entity that develops wetlands for use in wetland mitigation banking. The sponsor is responsible for the cost of wetland development, as well as long-term maintenance to ensure that the wetland continues to function as designed in the future.

Credits are determined using a functional assessment procedure that evaluates individual wetland functions. As the credits are sold, they are subtracted from the bank until all of the available credits are purchased. At this time, the mitigation bank closes and no additional credits can be sold from that bank.

Mitigation Banks and Land Use

Only wetlands that have been restored, enhanced or created can qualify as a site for wetland mitigation banks. Preserving existing wetlands does not qualify as this does not produce replacement acres of wetlands. Bank sponsors should consider the credit market in the local area to determine whether the bank would be best suited to provide agriculture credits.

As a general rule, former wetlands restored to their original condition provide the best chance for success in generating wetland functions and values. Next best is wetland enhancement, and lastly, wetland creation on land without a prior history of wetland conditions. Long-term success and stability are important considerations, since the bank sponsor is required to provide long-term site maintenance to ensure it continues to function as designed.

Types of Wetlands

Restored wetlands are typically easier and less expensive to develop. In many cases, land is reverted to its original wetland state through an alteration in hydrology.

Enhanced wetlands are defined by activities that accentuate one or more specific wetland functions for specific purposes. The depth and duration of ponding may be altered to support wildlife or different vegetation encouraged to improve water quality. Typically, these modifications of the landscape and hydrology are more expensive to develop and maintain as compared with restored wetlands.

Created wetlands are commonly the most difficult and costly to develop and maintain. These are wetlands developed in a landscape and on soils which did not originally support a wetland. As a result more elaborate engineering design, installation of structures, and/or water pumps may be necessary to develop and maintain created wetlands.

For more information on wetland mitigation banking at NRCS, contact Shaun Vickers.

CENTRAL PLATTE NRD
Cost Share
December 22, 2016

NEBRASKA SOIL AND WATER CONSERVATION COST SHARE PROGRAM...		\$ 17,478.73
Bob Cutsor – Polk – Underground Pipeline to Pivot	\$ 5,000.00	
Mike McVay – Dawson – Brush Management	2,478.73	
Gary Berck – Hamilton – Underground Pipeline to Pivot	5,000.00	
H&B Farm – Merrick – Underground Pipeline to Pivot	5,000.00	
CENTER PIVOT INCENTIVE COST SHARE PROGRAM		\$ 19,039.00
Bob Cutsor – Polk	\$ 4,039.00	
Gary Berck – Hamilton	7,500.00	
H&B Farm – Merrick	7,500.00	
TREE PLANTING COST SHARE PROGRAM.....		\$ 195.00
Vance Siedenburg – Buffalo	\$ 195.00	
GRASSLAND CONSERVATION COST SHARE PROGRAM		\$ 7,752.50
Tim Dean – Dawson	\$ 7,752.50	
FLOW METER COST SHARE PROGRAM		\$ 1,600.00
Gary Berck – Hamilton	\$ 800.00	
Nathan Brabec – Hall	800.00	
WELL DECOMMISSIONING COST SHARE PROGRAM		\$ 1,500.00
Sea-Hubbert Farms LLC – Hall – 2 wells	\$ 1,500.00	
Total		\$ 47,565.23