

**MINUTES OF THE TRI-BASIN NRD BOARD MEETING**  
**Tuesday, June 19, 2012, 7:30 p.m.**  
**Tri-Basin Natural Resources District**

**CALL TO ORDER**

The regular monthly board meeting of the Tri-Basin Natural Resources District (NRD) was called to order by Chairman Dave Nickel, at 7:34 p.m. Nickel noted Public Meeting Law is posted in the boardroom.

**ROLL CALL**

Roll call was taken with eleven directors present: Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Nickel, Olsen, Raffety, Reynolds and Winz. Bergstrom arrived at 7:32 p.m. Notice of the meeting was published in the Holdrege Citizen, Bertrand Herald, Elwood Bulletin and the Minden Courier and announced over radio stations KRVN, Lexington and KUVR, Holdrege.

**EXCUSE ABSENCES**

There were no absences to excuse.

**MINUTES**

Nickel presented the minutes of the May 8, 2012 Public Board of Director's Meeting, May 23, 2012 Planning Committee Meeting, May 23, 2012 Projects & Construction Committee Meeting and June 1, 2012 Joint Weed Control Committee Meeting.

Moved by Johnson, seconded by Garrelts, to approve the minutes for the May 8, 2012 Board of Directors Meeting. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

Moved by Larson, seconded by Johnson, to approve the minutes for the May 23, 2012 Planning Committee meeting. Motion carried unanimously

Moved by Raffety, seconded by Nelson, to approve the minutes for the May 23, 2012 Projects & Construction Committee meeting. Motion carried unanimously

**FINANCIAL REPORT**

Garrelts presented the financial report for the month of May 2012 as follows:

Accrual Expenditures for Month -----	\$142,653.75
Cash Expenditures for Month-----	\$137,477.85
Accrual Revenues for Month-----	\$276,985.67
Cash Revenues for Month-----	\$312,804.67
Bank Balance-May 31, 2012-----	\$198,869.63
Accounts Receivable - May 31, 2012-----	\$3,580.17
Investments - May 31, 2012-----	\$203.55
Investments - Pinnacle Bank - May 31, 2012-----	\$1,001,255.86
Whiskey Slough IPA Balance - May 31, 2012-----	\$17,658.22
Fort Kearny-West IPA Balance - May 31, 2012-----	\$6,506.51
South Dry Creek IPA Balance - May 31, 2012-----	\$9,399.37
Fort Kearny IPA Balance - May 31, 2012-----	\$12,423.95
North Dry Creek IPA Balance - May 31, 2012-----	\$16,151.92
Sacramento Creek IPA Balance - May 31, 2012-----	\$22,652.31

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Moved by Raffety, seconded by Olsen, to accept the May 2012 financial reports and file for audit. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

**SPECIAL BILLS**

Thorburn presented the VISA, attorney, Anderson Brothers and Upper Republican NRD bills for approval. Thorburn explained that Anderson Brothers is repairing the connection to the outdoor sign, which was cut during sewer repair. Thorburn asked that their bill not be paid until the repair is complete. Thorburn mentioned that the insurance claim is still pending on the sewer repair.

Moved by Johnson, seconded by Larson to approve the visa bills. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

Moved by Harris, seconded by Garrelts to approve the attorney bill. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

Moved by Johnson, seconded by Winz to approve the URNRD bill. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

Moved by Garrelts, seconded by Olsen to approve the Anderson Brothers bill contingent upon repair of outdoor sign. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

Moved by Garrelts, seconded by Lundeen to move \$3,000 from Cash Reserve and \$3500 from Professional Services (architect fees) to the Building Maintenance to fund sewer repair costs. Motion carried.

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AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

### NRCS REPORT

**FSA Farm Plans:** Breece presented four farm plans for approval: Mike Thorell, Ricky Lundy, Steven Hilker and Don Lofquist. Moved by Reynolds, seconded by Lundeen to approve farm plans Mike Thorell, Ricky Lundy, Steven Hilker and Don Lofquist. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: Harris

ABSTAIN: Johnson

ABSENT: None

**Activity and Progress Report:** Breece talked about HEL and wetland appeals. Breece invited directors to attend a local workgroup meeting for EQIP Funds on June 28<sup>th</sup>, 2012 at 9:30 at TBNRD.

### COST SHARE REPORT

**Well Abandonment** – Holloway presented two well decommissioning cost-share applications to approve. Moved by Nelson, seconded by Winz to approve well decommissioning cost-share applications #91-#92. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

**NSWCP & NRD Applications** – Thorburn presented five NSWCP applications and one Conservation Tree Planting Cost-Share. Moved by Raffety, seconded by Larson to approve five NSWCP and one TBNRD Conservation Tree Planting Cost-share applications. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

### GROUNDWATER MANAGEMENT

**Groundwater & Certified Acre Transfers** – Thorburn presented two groundwater transfer requests (Craig Hilker and Ron Nelson), three irrigated acre transfer requests for Darrell Nelson, a special request from Schutz Ag, Inc. to convert an irrigation well into a stock well and a special request from Scott Strong to correct certified irrigated acres. Wade Johnson, Doug Stagemeyer, Craig Hilker, Neal Monter and Darrell Nelson were present to answer questions. Thorburn noted Johnson and Winz visited the HEL site. Thorburn explained that Schutz will retain the irrigation well as an observation/stock well.

Moved by Reynolds, seconded by Olsen to approve groundwater transfer requests for Craig Hilker and Ron Nelson. Motion carried.

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AYE: Bergstrom, Garrelts. Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

Moved by Reynolds, seconded by Winz to approve three irrigated acre transfer requests for Darrell Nelson. Motion carried.

AYE: Bergstrom, Garrelts. Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

Moved by Reynolds, seconded by Larson to approve a request from Schutz Ag Inc. to convert an irrigation well to a stock well and a request from Scott Strong to correct 8.19 as certified irrigated acres. Motion carried.

AYE: Bergstrom, Garrelts. Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

**New Well Variances** – There were no well variances to approve.

**Educational Land Leases** – There were no Educational Land Leases to approve.

**OTHER BUSINESS**

The public was given the opportunity to bring other specific business or non-agenda items before the board for comment and/or discussion. Holloway expressed thanks to staff and directors. Reynolds asked that a letter of appreciation be sent to Senator Carlson for his work on LB526, which allows one-to-one credit for irrigation to in-stream flow offsets. Nickel recognized Reynolds his work on the legislation also.

Thorburn noted that staff did an excellent job on the flag pole and concrete pad. Nickel suggested a protective post be installed. Thorburn commented a "No Truck Parking" sign is needed.

**UNFINISHED BUSINESS**

**Authorize Tammy Fahrenbruch to sign checks and documents for TBNRD:** Thorburn explained that Holloway signed checks and well registrations. Thorburn recommended Fahrenbruch be allowed to sign checks/documents for TBNRD and to bond her. Moved by Nelson, seconded by Winz to allow Tammy Fahrenbruch to sign checks and other documents for TBNRD and to bond her. Motion carried.

AYE: Bergstrom, Garrelts. Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

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**Authorize bond for Tammy Fahrenbruch:** This item was addressed in the previous motion.

**Accept the Resignations of Phyllis Johnson, Joe Larson from Current Director Positions:**

Thorburn explained that because of redistricting, Johnson (Subdistrict #2) and Larson (Sub-District #4) are not living in their elected sub-district. Thorburn explained that Johnson and Larson have submitted resignation for their current sub-districts. Johnson can be appointed to fill the remainder of Dick Helms term in Sub-District #1 and Larson can be appointed to fill the remainder of Johnson's term in Sub-District #2. Joe Bilka has submitted a letter expressing interest in applying for Director in Sub-District #4. Dave Dahlgren also applied for Director in Sub-District #4, but didn't qualify because of the location of his residence. Moved by Garrelts, seconded by Raffety to accept resignations from Phyllis Johnson (Sub-District #2) and Joe Larson (Sub-District #4). Motion carried.

AYE: Bergstrom, Garrelts, Harris, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: Johnson and Larson

ABSENT: None

**Fill Director Positions in Sub-Districts #1, #2 and #4:** Thorburn introduced Joe Bilka, Chase County Landowner and area businessman. Bilka took the Oath of Office after the motion was made for his appointment. Moved by Garrelts, seconded by Winz to appoint Phyllis Johnson as Director for Sub-District #1, replacing Dick Helms for the remainder of his term and appoint Joe Larson as Director in Sub-District #2 replacing Phyllis Johnson for the remainder of her term. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: Johnson and Larson

ABSENT: None

Moved by Garrelts, seconded by Larson to appoint Joe Bilka as Director for Sub-District #4 to replace Joe Larson for the remainder of his term. Motion carried.

AYE: Bergstrom, Garrelts, Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

**NARD REPORT**

Thorburn and Nelson reported on the Lower Platte Basin Tour. Thorburn presented a slideshow of the highlights. Nelson reported health insurance rates are increasing 15% and NARD dues are increasing 4%.

**COMMITTEE REPORTS**

**Planning Committee:** Thorburn reported the committee reviewed changes to the Groundwater Management Rules and Regulations. Thorburn reviewed proposed changes to rules. Thorburn mentioned Blankenau recommended leasing depletions credits instead of irrigated acres. Thorburn is working on the draft for presentation at the July board meeting. Thorburn suggested a special board meeting to discuss proposed rule changes.

**Projects and Construction Committee:** Thorburn reported the Projects & Construction Committee reviewed sewer work and carpet replacement, replacement for conservation corners program, proposed IPA's, KAAPA pipeline, Sand Creek Reservoir and using the dam a road bed.

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Thorburn met with Kearney County Board about dam construction and the road bed. Thorburn proposed that the engineering firms be asked to bid the road as part of the dam but as a separate part of the dam design. The county will pay additional design and construction costs if road is added to dam.

**Special NRD Board Meeting:** Thorburn explained the meeting was advertised as a special board meeting so all directors could attend. CPNRD is holding an informational meeting on Friday, June 22, 2012 at the Super 8 with TBNRD reconvening at Tri-Basin at 10:30.

### STAFF REPORTS & NECESSARY ACTION

**Board Directives to Staff:** There were no staff reports to review.

**Out-of-State Travel:** There was no out-of-state travel to approve.

### MONTHLY REPORTS

**Republican Basin (NRRMD):** NRRMD met at Tri-Basin NRD on June 1, 2012. Thorburn mentioned he will be attending in the KS vs. NE trial in Maine in August 2012 but doesn't know the exact date yet. NDNR or Kansas will pay for most expenses.

**Platte Basin:** Thorburn will attend the Platte Basin Water Management Action Initiative meeting. The Land Committee will meet July 25, 2012.

**South Dry Creek:** Bank spraying has been done.

**Sacramento Creek:** Bank spraying has been done.

**Middle Lost Creek:** Bank spraying has been done.

**Fort Kearny West:** Bank spraying has been done.

**Fort Kearny:** Bank spraying has been done.

**North Dry Creek:** Thorburn presented information on an extended operational test of the augmentation well.

**Whiskey Slough:** Bank spraying has been done.

**Lake Seldom:** Thorburn gave a presentation for YMCA Adventure Camp. Reed Canary grass was sprayed.

**CoHyst/PBHEP:** CoHyst will hold workshop in July. PBHEP is being replaced by the Platte Water Project Coalition.

**Weed Management Areas – Riparian Vegetation Task Force:** Nothing to report.

**Sand Creek/Little Blue Basin:** Nothing to report.

**CNPPID:** Marcia Trompke reported on CNPPID operations.

#### NEW BUSINESS

**Platte Water Project Coalition Agreement:** Thorburn explained The Platte Water Project Coalition is replacing PBHEP to allow payment through a new funding source for the J-2 Reregulation Reservoir. New agreements are needed for funding, land acquisition and payments. Thorburn explained TBNRD would pay \$475,000 (Due 7-1-12) and \$693,500 (due 6-30-12). CNPPID would be owner of the project and would contribute funding and in-kind contributions. Nickel expressed concern about what happens to funding TBNRD provides if the agreement dissolves and suggested the agreements be reviewed prior to approval by a committee or entire board. Thorburn could get legal counsel and NDNR to attend the meeting. Blankenau has reviewed all agreements. Winz suggested the executive committee review the agreements.

**Agreement with NDNR to Fund J-2 Reregulation Reservoir Project:** No action was taken.

**Agreement with NE Community Foundation:** No Action was taken.

**Authorize Payment of \$475,000 to NE Community Foundation:** No action was taken.

**Designate Representative for Platte Water Project Coalition:** No action was taken.

**Consider Recommendation from Projects & Construction Committee to Replace Board Room Carpet:** Moved by Garrelts, seconded by Bilka to accept the Projects & Construction Committee's recommendation to replace the carpet in the entire board room. Motion carried.

AYE: Bergstrom, Bilka, Garrelts. Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

#### PERSONNEL & LEGAL MATTERS

Moved by Reynolds, seconded by Harris to move to executive session for the protection of the public to discuss contractual issues at 9:27 p.m. Motion carried.

AYE: Bergstrom, Bilka, Garrelts. Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

Moved by Garrelts, seconded by Lundeen to move out of executive session for the protection of the public to discuss contractual issues at 9:52 p.m. Motion carried.

AYE: Bergstrom, Bilka, Garrelts. Harris, Johnson, Larson, Lundeen, Nelson, Olsen, Raffety, Reynolds, Winz and Nickel

NAY: None

ABSTAIN: None

ABSENT: None

#### COMMENTS AND CONCERNS

There were no comments or concerns.

#### NEXT BOARD MEETING

TBNRD Regular Board Meeting will be held on Tuesday, July 10, 2012 at 1:30 p.m., at Tri-Basin NRD.

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**ADJOURNMENT**

There being no further business, the meeting adjourned at 9:59 p.m.

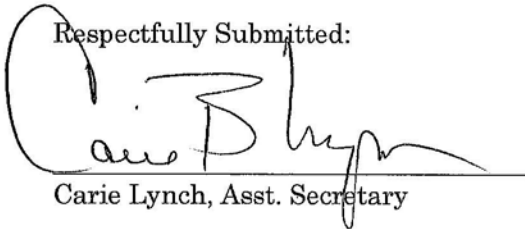
**DIRECTORS PRESENT**

Brian Bergstrom, Joe Bilka, Todd Garrelts, Ed Harris, Phyllis Johnson, Joe Larson, Brad Lundeen, David Nelson, David Nickel, Dave Olsen, Dave Raffety, Ray Winz and Larry Reynolds.

**OTHERS PRESENT**

Carie Lynch, John Thorburn, Nicole Salisbury, Richard Holloway, Charles Brooks, Marcia Trompke, Kevin Breece, Doug Stagemeyer, Wade Johnson, Craig Hilker, Neal Monter, Lori Potter, and Darrell Nelson.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "Carie Lynch", is written over a horizontal line. The signature is fluid and cursive.

Carie Lynch, Asst. Secretary

INDEX OF BOARD DECISIONS  
TRI-BASIN NATURAL RESOURCES DISTRICT  
BOARD OF DIRECTORS MEETING  
June 19, 2012

Motion #	Category	Subject	Aye	Nay	Abst	Motion
2012-06-19-01	Meeting Administration		12			Moved by Johnson, seconded by Garrelts, to approve the minutes for the May 8, 2012 Board of Directors Meeting. Motion carried.
2012-06-19-02	Meeting Administration					Moved by Larson, seconded by Johnson, to approve the minutes for the May 23, 2012 Planning Committee meeting. Motion carried unanimously
2012-06-19-03	Meeting Administration					Moved by Raffety, seconded by Nelson, to approve the minutes for the May 23, 2012 Projects & Construction Committee meeting. Motion carried unanimously
2012-06-19-04	Meeting Administration		12			Moved by Raffety, seconded by Olsen, to accept the May 2012 financial reports and file for audit. Motion carried.
2012-06-19-05	Budget		12			Moved by Johnson, seconded by Larson to approve the visa bills. Motion carried.
2012-06-19-06	Budget		12			Moved by Harris, seconded by Garrelts to approve the attorney bill. Motion carried.
2012-06-19-07	Budget		12			Moved by Johnson, seconded by Winz to approve the URNRD bill. Motion carried.
2012-06-19-08	Budget		12			Moved by Garrelts, seconded by Olsen to approve the Anderson Brothers bill contingent upon repair of outdoor sign. Motion carried.
2012-06-19-09	Budget	Move funding for sewer repair	12			Moved by Garrelts, seconded by Lundeen to move \$3,000 from Cash Reserve and \$3500 from Professional Services (architect fees) to the Building Maintenance to fund sewer repair costs. Motion carried.
2012-06-19-10	Meeting Administration		10	1	1	Moved by Reynolds, seconded by Lundeen to approve farm plans Mike Thorell, Ricky Lundy, Steven Hilker and Don Lofquist. Motion carried.
2012-06-19-11	Meeting Administration		12			Moved by Nelson, seconded by Winz to approve well decommissioning cost-share applications #91-#92. Motion carried.
2012-06-19-12	Meeting Administration		12			Moved by Raffety, seconded by Larson to approve five NSWCP and one TBNRD Conservation Tree Planting Cost-share applications. Motion carried.
2012-06-19-13	Certifications & Transfers	Hilker and Nelson	12			Moved by Reynolds, seconded by Olsen to approve groundwater transfer requests for Craig Hilker and Ron Nelson. Motion carried.
2012-06-19-	Certifications &	Nelson	12			Moved by Reynolds, seconded by Winz to

14	Transfers					approve three irrigated acre transfer requests for Darrell Nelson. Motion carried.
2012-06-19-15	Certifications & Transfers	Schutz and Strong	12			Moved by Reynolds, seconded by Larson to approve a request from Schutz Ag Inc. to convert an irrigation well to a stock well and a request from Scott Strong to correct 8.19 as certified irrigated acres. Motion carried.
2012-06-19-16	Personnel	Fahrenbruch bond and sign documents and checks	12			Moved by Nelson, seconded by Winz to allow Tammy Fahrenbruch to sign checks and other documents for TBNRD and to bond her. Motion carried.
2012-06-19-17	Directors	Johnson & Larson Resignation	10		2	Moved by Garrelts, seconded by Raffety to accept resignations from Phyllis Johnson (Sub-District #2) and Joe Larson (Sub-District #4). Motion carried.
2012-06-19-18	Directors	Johnson & Larson Appointment	10		2	Moved by Garrelts, seconded by Winz to appoint Phyllis Johnson as Director for Sub-District #1, replacing Dick Helms for the remainder of his term and appoint Joe Larson as Director in Sub-District #2 replacing Phyllis Johnson for the remainder of her term. Motion carried.
2012-06-19-18	Directors	Bilka Appointment	12			Moved by Garrelts, seconded by Larson to appoint Joe Bilka as Director for Sub-District #4 to replace Joe Larson for the remainder of his term. Motion carried.
2012-06-19-19	Budget	Carpet	13			Moved by Garrelts, seconded by Bilka to accept the Projects & Construction Committee's recommendation to replace the carpet in the entire board room. Motion carried.
2012-06-19-20	Meeting Administration		13			Moved by Reynolds, seconded by Harris to move to executive session for the protection of the public to discuss contractual issues at 9:27 p.m. Motion carried.
2012-06-19-21	Meeting Administration		13			Moved by Garrelts, seconded by Lundeen to move out of executive session for the protection of the public to discuss contractual issues.at 9:52 p.m. Motion carried.

**MINUTES OF THE TRI-BASIN NRD  
EXECUTIVE COMMITTEE MEETING  
Wednesday, June 27, 2012, 10:00 a.m.  
Tri-Basin NRD**

**CALL TO ORDER**

The meeting was called to order by Chairman Dave Nickel at 10:00 a.m.

**ROLL CALL**

Roll call was taken with four committee members present: Dave Nickel, Dave Olsen, Brad Lundeen and Todd Garrelts. Joe Bilka was also present.

**OTHERS PRESENT**

John Thorburn and Carie Lynch

**DISCUSS PROPOSED AGREEMENTS FOR J-2 RESERVOIR**

Thorburn reviewed three agreements associated with the Platte Basin Water Project Coalition and legal responses on the agreements. The agreements were drafted because the legislature directed the Environmental Trust to set aside \$3 million dollars for water projects and a new payment mechanism was needed. PBHEP still exists but will eventually run out of funding. The Platte Basin Water Project Coalition will administer new funding. Thorburn explained that if TBNRD is a member of the coalition, TBNRD can't take an opposing legal position to the coalition. The coalition will be a legal entity and have insurance and board members. TBNRD will need to designate a representative and alternate. Thorburn noted one of the objectives of the Coalition is to study conservation practices including no-till. Nickel noted that the agreements allow for funding several studies. The agreements run for six years because of Environmental Trust limitations. If the Coalition terminates, board members (from all participants) will determine how to divide assets.

Agreement 15B is specific to the J-2 Project and states annual benefit of 2,040 af, TPNRD's benefit only runs through 2019 and NDNR's retains 10% of benefit. The agreement requires TBNRD pay \$475,000 by July 1, 2012 and \$693,500 by June 30, 2013. Lundeen suggested that wording be added allowing remaining parties to have first refusal rights and to specify when TPNRD is out of the agreement. At a prior meeting, NDNR told TBNRD they had first rights at TPNRD's offset when it expired. Thorburn will ask Jesse Bradley, NDNR, if this could be added to the agreement. Also, later in the meeting under 2012-2013 Budget, Bilka asked that Thorburn inquire about changing the date of TBNRD's 2<sup>nd</sup> payment from June 30, 2013 to July 1, 2013.

Agreement 15C is the financial management agreement. The agreement states the Nebraska Community Foundation would distribute, bill participants and hold funds. The Foundation signs the agreement with CNPPID for the J-2 Re-Regulation Reservoir.

Moved by Garrelts, seconded by Lundeen to recommend to the board approval of the Platte Basin Water Coalition Agreements, J-2 Re-regulation Reservoir Agreement and NE Community Foundation Agreement. Motion carried unanimously.

**REVIEW FIRST DRAFT OF FY 2012-2013 NRD BUDGET**

Thorburn reviewed the year-to-date Income Statement and FY 2012-2013 Budget line-by-line.

- Thorburn commented that NARD dues will increase by 4% and health insurance will increase by 15%. Lynch explained that the NARD Risk Pool had an unusual number of people with claims over \$100,000, which is covered by re-insurance. Re-insurance claims are a big consideration when companies bid for the next year. The NARD Risk Pool is expecting to use at least one-third of reserves to cover part of the increase.

- There was discussion about payout of annual/sick leave for terminating employees. Thorburn noted the salary lines reflected 0% increase except for increases for Fahrenbruch and Little that result from their assuming Holloway's job duties. These pay increases were already approved by the board. Thorburn noted that FY 2012-2013 includes an extra payroll (27 payrolls instead of 26) which occurs every seven years.
- Projects and Agreements were reviewed, which included the J-2 Re-Regulation Reservoir, Republican Basin Projects and Sand Creek. Funding requirements for the J-2 Project are \$475,000 due 7-1-12 and \$693,500 due 6-30-13 (a loan for \$693,500 is included). There was discussion about changing the due date in the agreement for \$693,500 to 7-1-13, so the payment could be made in the next fiscal year.
- Vehicles and Building included a replacement for the 2002 Chevy diesel pickup.
- Utilities included a backup service for the server.
- Office Equipment included new vertical blinds for the front office and two laptops being replaced. Nickel suggested looking on the internet for a lower price.
- Machinery and Equipment includes a stream gauge for Sand Creek, data logger replacement, Elwood drill overhaul and used 4-wheeler.
- Nickel suggested raising the price of flags so TBNRD doesn't lose money selling flags.
- Thorburn cautioned that final year-end figures aren't complete, so budget figures may change. The budget reflected a 61% increase in property tax. Unused budget authority and lid calculations have not been completed so it's unknown whether the increase is feasible. The committee identified several large projects: Sand Creek Land and Republican Basin Projects and asked for creative ideas to make the budget increase smaller. Nickel asked Thorburn for offset update so it could be determined if some offset projects could be reduced or dropped and to prepare a short list of potential cuts to the budget.
- Nickel stated that the committee made no changes to the budget and asked that be reflected in the minutes.
- Post meeting Lynch identified two additions to the budget: Holloway payroll after his retirement (Annual Leave will be paid as regular payroll until it runs out) and the Glatfelter claim income for the sewer and carpet.

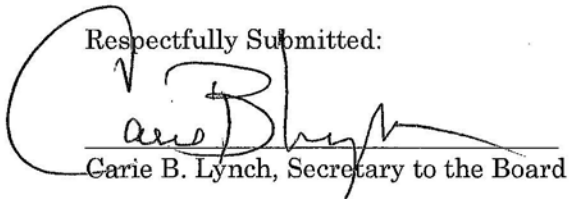
#### COMMENTS AND CONCERNS

There were no comments or concerns.

#### ADJOURNMENT

There being no further business, the meeting adjourned at 11:57 a.m.

Respectfully Submitted:

  
Carrie B. Lynch, Secretary to the Board

**Tri-Basin NRD  
Executive Committee Meeting  
Wednesday, June 27, 2012  
10:00 AM  
Tri-Basin NRD office**

#### Agenda:

1. Discuss proposed agreements for J-2 Reservoir
2. Review first draft FY 2012-13 NRD budget

Executive committee members: Todd Garrelts, Dave Nickel, Dave Olson and Brad Lundeen (other board members and the public are welcome to attend)

**NOTES:**

**MINUTES OF THE TRI-BASIN NRD SPECIAL BOARD MEETING**  
**Friday, June 22, 2012, 9:00 a.m.**  
**Tri-Basin Natural Resources District**

**CALL TO ORDER**

The regular monthly board meeting of the Tri-Basin Natural Resources District (NRD) was called to order by Chairman Dave Nickel, at 9:00 a.m. at the Super 8 Motel in Holdrege. The board did not reconvene at 10:45 a.m. at Tri-Basin NRD, as planned.

**ROLL CALL**

Roll call was taken with nine directors present: Bilka, Garrelts, Harris, Johnson, Larson, Lundeen, Nickel, Olsen and Raffety. Bergstrom, Nelson, Reynolds and Winz were absent. Notice of the meeting was published in the Holdrege Citizen, Bertrand Herald, Elwood Bulletin and the Minden Courier and announced over radio stations KRVN, Lexington and KUVR, Holdrege.

**NEW BUSINESS**

**Proposal by CPNRD & TPNRD to Change Operation of CNPPID Irrigation Canal System:** A presentation was made at the Super 8 Motel by Brent Cain, Brown-Caldwell, and Ron Bishop, CPNRD concerning a conjunctive water management study about converting surface water rights to groundwater.

**Discuss current & Planned District Water Management Activities:** Board members did not reconvene to discuss this issue.

**PERSONNEL & LEGAL MATTERS**

There was no executive session.

**COMMENTS AND CONCERNS**

There were no comments or concerns.

**NEXT BOARD MEETING**

TBNRD Regular Board Meeting will be held on Tuesday, July 10, 2012 at 1:30 p.m., at Tri-Basin NRD.

**ADJOURNMENT**

There being no further business, the meeting adjourned at 9:15 p.m.

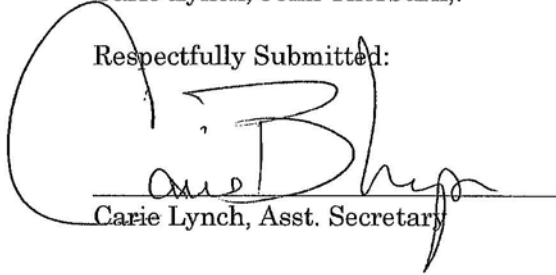
**DIRECTORS PRESENT**

Joe Bilka, Todd Garrelts, Ed Harris, Phyllis Johnson, Joe Larson, Brad Lundeen, David Nickel, Dave Olsen and Dave Raffety.

**OTHERS PRESENT**

Carie Lynch, John Thorburn,.

Respectfully Submitted:



Carie Lynch, Asst. Secretary