

**MINUTES OF THE
NEBRASKA NATURAL RESOURCES COMMISSION MEETING**
Lower Platte North NRD
Wahoo, Nebraska
November 19, 2009

Those in attendance were:

Dick Hadenfeldt, Chair	Steve Chick, NRCS	Rex Gittins, NDNR
Keith Rexroth, Member	Lori Benson, UNL	Kent Zimmerman, NDNR
Johannes Clinton, Member	John Miyoshi, LPSNRD	Jill Richters, NDNR
Jim Van Marter, Member	Mike Murren, LPNNRD	Dorothy Kramper
Dick Mercer, Member	Alan Boyd, LPNNRD	Annette Anderson
Dan Watermeier, Member	Bob Hilger, LPNNRD	Jan Reeves
Ladd Reeves, Member	John Hannah, LPNNRD	
Vince Kramper, Member	David Saalfeld, LPNNRD	
Beverly Donaldson, Member		
Joseph Hergott, Member		
Garry Anderson, Member		

CALL TO ORDER & ROLL CALL

The meeting was called to order by Commission Chairman Hadenfeldt in the Lower Platte North, Board Room at 10:07 a.m. in Wahoo, Nebraska. The North Platte basin was not represented pending the move of the former Commissioner to a residence outside of the basin. A caucus to fill the unexpired term is scheduled for December 10, at 3:00 p.m. MST at the North Platte NRD office in Scottsbluff. The following members were also absent: Kadlecek, Korell, Moore and Nelson.

NOTICE OF THE MEETING

Notice of the meeting was published on the Department's web site at www.dnr.ne.gov and a copy of the public meeting statutes was available for review in the room.

INFORMATIONAL MATERIAL

The following informational materials were distributed either prior to or during the course of the meeting, and a copy of each is attached to the file copy of the minutes.

1. Commission Meeting Agenda
2. Explanation Paper
3. Expenditures – September & October 2009
4. NRCS Report to the NRC November 2009

5. NRDF Status Report
6. NRDF Quarterly Report
7. NRDF Budget Analysis: Revised Program Appropriations (Special Session) 11/18/2009
8. SWFCF Status & Land Sale Bill
9. NSWCP, NRWQF, WWDF Status Reports
10. Johannes Handouts (recommendations for NSWCP – 2 packets)
11. IWMPPF Status
12. IWMPP Proposed (DNR) Guideline Revisions for FY 2011 (red-line)
13. IWMPP Proposed (NRD) Guideline Revisions for FY 2011 (blue-line)
14. Lake Wanahoo Project Overview Packet

MINUTES

Minutes of the September 28-29, 2009, Commission and Committee meetings were approved.

Kramper moved and Van Marter seconded to approve the Minutes of the September 28, 2009, Program Committee meeting; and the September 29, 2009, Legislative & Budget Committee; and the Natural Resources Commission meetings.

Motion Passed.

Aye: Rexroth, Reeves, Anderson, Mercer, Watermeier, Johannes, Hadenfeldt, Hergott, Van Marter, Donaldson, & Kramper

Nay: None

Abstain: None

Not Present: Kadlecek, Korell, Moore and Nelsen

EXPENDITURES REPORT

Fund expenditures reports showing fund balances for the months of September & October, 2009, were distributed. Gittins stated there were no unusual expenditures during that period.

ADVISOR REPORTS

Natural Resources Conservation Service (NRCS)

Steve Chick, distributed a report titled "Natural Resources Conservation Report to the Nebraska Natural Resources Commission dated November 2009". Chick reviewed the following highlights of the report.

- During 2009, Congress charged the US Army Corps of Engineers with completing a 5 year study to assess how to best manage the eight purposes associated with the Pick-Sloan Act as it applies to the Missouri River. The Missouri River Authorized Purpose Study (MRAPS) could potentially reshape the original authorized purposes of the river. Verlin Barns has been appointed to represent NRCS as the Missouri River Coordinator on MRBA activities.
- NRCS brought over \$63 million of financial aid and cost share assistance to the state last year, plus an additional \$30 million in technical assistance.
- The Hedgefield Restoration project with Lower Platte South NRD and the Nebraska Game and Parks Commission is nearly complete.

- Nebraska obligated \$2.8 million to people for assistance with transitioning into organic farming.
- The 2008 Farm Bill created an option for tribes to enter into a 30-year contract in lieu of a permanent contract. Nebraska was chosen to pilot this new option.

UNL Water Center

Lori Benson reported the following.

- In January, Mike George, Program Director for the US Army Corps of Engineers will speak on the Missouri River Recovery Activities and give a status update as part of UNL's Spring Water Lecture Series.
- In April, David Pope the Executive Director of the Missouri River Association of States and Tribes (MORAST) is scheduled to speak on reexamining the priorities on the Missouri and the future of the Missouri River basin.
- The Nebraska Water Tour is tentatively scheduled for July 12 - 15 to tour the North Platte basin. Mike Jess will be the Tour Guide.

Nebraska Environmental Trust

Vince Kramper gave the following update.

- Results from the three public review meetings indicated that Trust operating approaches are generally in line with public expectations.
- This year the trust reviewed 110 applications totaling \$54 million in requests for project assistance.
- Next meeting will be in January.

DNR UPDATE

Director Dunnigan gave an update during the Program Committee meeting which was being held the previous day at the Lower Platte South NRD office in Lincoln. No additional comments were presented during the Commission meeting.

LEGISLATIVE & BUDGET COMMITTEE

Legislative & Budget Committee Chair Watermeier reported that the Committee met and took no new action.

PROGRAM COMMITTEE

Program Committee Chair Hergott reported the Committee met at 3:00 p.m. at the Lower Platte South NRD office. Hergott brought the following updates and motions forward.

Nebraska Resources Development Fund

Financial Status & Quarterly Reports showed no unusual activity.

Small Watersheds Flood Control Fund Status Report

No unusual activity was reported.

Soil & Water Conservation Program Fund

Normal activity reported.

Natural Resources Water Quality Fund

Normal activity reported.

Water Well Decommissioning Fund

Normal activity reported.

Interrelated Water Management Plan Program

Status report showed normal activity. Hergott reported that Guideline & Limitations revisions proposed by DNR staff and an alternate proposal offered collectively by a group of five NRDs were reviewed and discussed at the Committee meeting.

Hergott moved and Johannes seconded to adopt the IWMPP Guideline Revisions proposed by staff with the revisions by Lower Elkhorn NRD on behalf of five NRDs.

Motion Passed.

Aye: Reeves, Mercer, Johannes, Anderson, Donaldson, Hadenfeldt, Hergott, Van Marter, Watermeier, Rexroth & Kramper

Nay: None

Abstain: None

Not Present: Kadlecek, Korell, Moore and Nelsen

All Programs Budget Reductions

Small Watershed Flood Control Fund

Hergott moved and Van Marter seconded to modify the Small Watershed Flood Control Fund revolving fund base to reflect a cash transfer to the General Fund in accordance with 101st Legislature – First Special Session.

Motion Passed.

Aye: Van Marter, Watermeier, Reeves, Mercer, Johannes, Anderson, Donaldson, Hadenfeldt, Hergott, Rexroth & Kramper

Nay: None

Abstain: None

Not Present: Kadlecek, Korell, Moore and Nelsen

Soil and Water Conservation Fund

Hergott moved and Anderson seconded to direct staff to work with NRDs to determine the status of Nebraska Soil and Water Conservation Fund allocations, including both uncommitted and committed but unexpended funds, from the FY 2010 appropriation and prior year carryover. Staff is further directed to reduce NRD allocations based on amounts not yet committed in order to accomplish the reduced budget and cash transfer to the General Fund in accordance with 101st Legislature – First Special Session. If this action is insufficient to accomplish the reduced budget, staff is directed to make

additional reductions in NRD allocations based on funds committed by NRDs for projects that have not yet started to the extent required to fully comply with budget reductions.

Johannes made a motion Mercer seconded to amend recommending that the necessary budget reductions to the NSWCP fund be based upon the sum of: 1) Carry over reduction of \$632,564 be pro rated on the amount of carry over of each individual NRD. 2) The FY 2010 2.5% (\$62,564) reduction be made to each individual district allocation.

- Johannes asked John Miyoshi, Lower Platte North NRD manager to hand out two packets depicting funding options including June 30, 2009, carryover balances, and the proposed FY 2010 reduction of 2.5% pro rated upon each NRD's carry over balance.
- Gittins pointed out that the Commission and Department must reduce allocations to achieve the revised appropriation amounts. Staff will need some flexibility to make these reductions from funds not yet expended.
- Van Marter questioned whether this would be fair to other NRDs not present. Miyoshi responded that the reduction to reappropriated funding should be applied to NRDs that failed to expend allocations on a timely basis.
- Anderson noted that as the representative for the NRD poised to lose the largest amount, he would like an explanation from the Lower Elkhorn NRD as to why their carryover balance was so large. Gittins explained that the unexpended balance could include uncommitted funds, committed to projects for work not yet performed, and completed projects for which reimbursement paperwork had not been submitted prior to fiscal year end. These factors together resulted in a large carryover balance from which the Legislature made the majority of the cut.
- Johannes and Reeves suggested the amendment might be used as a guideline and an indication of the Commission's intent. Gittins stated that if so directed, staff will take the reappropriation reduction from balances carried forward where possible. Some flexibility may be needed in the event that any affected NRD's remaining unexpended balance for FY 2010 is not sufficient to absorb the reduction.
- Responding to a question by Van Marter as to whether this amendment was based upon one NRD's desires or what other NRDs want, Miyoshi stated that this was the result of discussion between himself, Marlin Peterman and Dave Clabaugh after the Program Committee meeting the previous day.
- Hadenfeldt pointed out this is a wake up call to NRDs that have typically delayed in making decisions on landowner requests in the past.
- Mercer pointed out that no matter what numbers are used, the budget is going to be cut.

Amendment Passed.

Aye:

Reeves, Mercer, Johannes, Watermeier, Rexroth & Kramper

Nay:

Donaldson, Anderson, Hergott, Hadenfeldt & Van Marter

Abstain:

None

Not Present:

Kadlecek, Korell, Moore and Nelsen

Motion Passed.

Aye:

Mercer, Johannes, Anderson, Donaldson, Hadenfeldt, Hergott, Van Marter, Watermeier, Reeves, Rexroth & Kramper

Nay: None
Abstain: None
Not Present: Kadlecek, Korell, Moore and Nelsen

Water Well Decommissioning Fund

Hergott moved and Reeves seconded to direct staff to work with NRDs to determine the status of Water Well Decommissioning Fund allocations, including both uncommitted and committed but unexpended funds, from the FY 2010 appropriation and prior year carryover. Staff is further directed to reduce NRD allocations based on amounts not yet committed in order to accomplish the reduced budget and cash transfer to the General Fund in accordance with 101st Legislature – First Special Session. If this action is insufficient to accomplish the reduced budget, staff is directed to make additional pro rata reductions in NRD allocations based on funds committed by NRDs for decommissioning projects that have not yet started to the extent required to fully comply with budget reductions.

Motion Passed.

Aye: Johannes, Anderson, Donaldson, Hadenfeldt, Hergott, Van Marter, Watermeier, Reeves, Rexroth, Kramper & Mercer
Nay: None
Abstain: None
Not Present: Kadlecek, Korell, Moore and Nelsen

Nebraska Resources Development

Hergott moved and Mercer seconded to direct staff to work with applicable NRDs to determine the status of Nebraska Resources Development Fund obligations, including both uncommitted and committed but unexpended funds, from the FY 2010 appropriation and prior year carryover. Staff is further directed to reduce funds obligated to project sponsors based on amounts not yet committed in order to accomplish the reduced budget and cash transfer to the General Fund in accordance with 101st Legislature – First Special Session. If this action is insufficient to accomplish the reduced budget, staff is directed to make additional reductions in obligations based on funds committed by sponsors for project work not yet performed to the extent required to fully comply with budget reductions.

Motion Passed.

Aye: Anderson, Donaldson, Hadenfeldt, Hergott, Van Marter, Watermeier, Reeves, Rexroth, Kramper, Mercer & Johannes
Nay: None
Abstain: None
Not Present: Kadlecek, Korell, Moore and Nelsen

Hergott moved and Kramper seconded to direct staff to work with applicable NRDs to reduce allocations in an amount equal to obligation reductions in order to remain in compliance with the statutory \$18.5 million cap on unfunded approved projects with the understanding that these allocations will be restored as room under the cap becomes available and that no projects allocation be reduced below \$1.

Motion Passed.

Aye: Donaldson, Hadenfeldt, Hergott, Van Marter, Watermeier, Reeves, Rexroth, Kramper, Mercer, Johannes & Anderson
Nay: None
Abstain: None
Not Present: Kadlecek, Korell, Moore and Nelsen

Water Quality Fund

No action required – implications of reduced appropriation and cash transfers will be reflected in the February 2010 allocations.

Interrelated Water Management Plan Program

Hergott moved and Van Marter seconded to direct staff to work with applicable NRDs to determine the status of Interrelated Water Management Plan Program grants, including both uncommitted and committed but unexpended funds, from the FY 2010 appropriation and prior year carryover. Staff is further directed to rescind grant funding from new projects approved in FY 2010, to the extent monies have not yet been expended in order to accomplish the reduced budget and cash transfer to the General Fund in accordance with 101st Legislature – First Special Session. If this action is insufficient to accomplish the reduced budget, staff is directed to make additional reductions in current and/or prior fiscal years grants based on funds committed by NRDs for project work not yet performed to the extent required to fully comply with budget reductions.

- In consideration of most of the funds being withdrawn due to reappropriations, Gittins asked if it would be appropriate to consider the same type of action taken on the NSWCP Fund to be consistent. The Commission indicated this action would be considered too detrimental for projects which have been in progress longest.
- Rexroth stated concern that the North Platte project might be unduly penalized because the project had been held up in contract negotiations with the Department.
- Hadenfeldt confirmed with staff that they would discuss the actions with affected project sponsors.
- Watermeier stated it would be difficult to go back to the project ranking.
- Anderson asked whether sponsors should be advised to proceed with borrowed capital and then request funding in the future. Gittins noted that the Commission could commit that the reductions would be restored before any commitments to new applications are made. One concern noted with this approach is that new applications next year might rank higher than those from which funding was taken.
- Based on concerns and issues, projects funded for the first time in fiscal year 2010 will likely bear the impact of reductions.

Motion Passed.

Aye: Hadenfeldt, Hergott, Van Marter, Watermeier, Reeves, Rexroth, Kramper, Mercer, Johannes, Anderson & Donaldson
Nay: None
Abstain: None
Not Present: Kadlecek, Korell, Moore and Nelsen

CAUCUS

A Caucus to elect a Commissioner to fill the unexpired term to represent the North Platte NRD is scheduled for 3:00 p.m. MST on December 10, 2009, in the North Platte NRD office in Scottsbluff.

ANNOUNCEMENTS

A framed certificate for Myron Lembke's service as a Natural Resources Commissioner was displayed and will be delivered by Rexroth.

Chairman Hadenfeldt appointed Rexroth to be the Vice Chair for the January Commission meeting in Lembke's absence.

Hadenfeldt directed the Nominating Committee to select nominees for chair and vice-chair for the election at the January meeting.

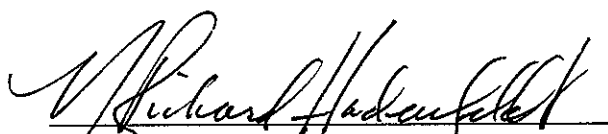
Gittins announced that room reservations for the NARD Legislative conference in January would be made at the Holiday Inn. Mercer asked if Commissioners could stay at the Embassy Suites if they were willing to pay the difference. Gittins agreed, but stated Commissioners should contact Cheryl to make reservations as state agencies do not have to pay sales and room taxes..


Richters reminded Commissioners that the expense reimbursement form is available on line at: www.dnr.ne.gov . Click on "Natural Resources Commission" and then on the "Expense Reimbursement form". Two versions of the form are available. For those Commissioners have Excel on their computers, the version labeled "Excel Spreadsheet" can be downloaded and completed on your computer. Otherwise, the version labeled "pdf format" can be printed and filled in by hand. Please submit a paper copy of your signed form along with receipts. Also, please note that as of January 1, 2010, the mileage rate is being reduced to \$0.50 per mile.

John Miyoshi thanked the Commission for their assistance with an IWMPP project and displayed the project results showing a series of maps depicting the location of groundwater, gravel, saturated thickness, and other geologic attributes.

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Meeting adjourned at 11:14 a.m.


N. Richard Hadenfeldt, NRC Chair


Brian P. Dunnigan, Director - DNR