

NEBRASKA NATURAL RESOURCES COMMISSION

MEETING MINUTES – June 9, 2011

Those in attendance were:

Garry Anderson, Member	Keith Rexroth, Member	Lorrie Benson, UNL
Kenneth Brockman, Member	Jeff Steffen, Member	Kristin Miller, NRCS
Stan Clouse, Member	Dan Watermeier, Chair	Kyle Liebig, SPNRD
Dave Deines, Member	Jill Richters, NDNR	Rod Horn, SPNRD
Beverly Donaldson, Member	LeRoy Sievers, NDNR	
Joseph Hergott, Member	Rex Gittins, NDNR	
Tom Knutson, Member	Kent Zimmerman, NDNR	
Dick Mercer, Vice-Chair	Katie Ringland, NDNR	
Dan Nelsen, Member	Tom Hayden, NDNR	

CALL TO ORDER & ROLL CALL

The meeting was called to order by Commission Chairman Watermeier at 9:34 a.m. at the South Platte Natural Resources District in Sidney, Nebraska. The following members were absent: Ladd Reeves, Clint Johannes, Dick Hadenfeldt and David Kadlecek.

NOTICE OF THE MEETING

Notice of the meeting was published on the State Public Meetings Calendar and on Department's web site at www.dnr.ne.gov. A copy of Nebraska's public meeting statutes was available in the room.

Introduction of New Commission Member

Watermeier recognized Stan Clouse, Governor Heineman's appointee to represent Municipal Water Users. Clouse was introduced previously during the Program Committee meeting.

INFORMATIONAL MATERIALS

The following informational materials were distributed at the Commission and committee meetings. A copy of each is attached to the file copy of these minutes.

1. Commission Meeting Agenda
2. Selected Agenda Topics Explanation Paper
3. NRCS Report to the NRC
4. NARD Legislative Update Report
5. 2011 Legislative Summary
6. Expenditures Report
7. Resources Development Fund
 - Status Report as of June 8, 2011
 - Proposed July 1, 2011 Status
 - Quarterly Report – April 30, 2011
8. Small Watershed Flood Control Fund Status Report as of June 1, 2011
9. Nebraska Soil & Water Conservation Fund Status Report as of January 18, 2011
10. Nebraska Water Quality Fund Status Report as of June 1, 2011

11. Water Well Decommissioning Fund Status Report as of June 1, 2011
12. FY12 IWMPP Funding & Project Close-out Tables
13. Upper Republican Augmentation Review
14. South Platte NRD Water Resources Summary
15. U.S. Army Corps of Engineers Missouri River Update

MINUTES

Knutson moved and Brockman seconded a motion to approve the minutes of the Legislative & Budget Committee and Program Committee meetings held on January 25, 2011, and the Commission meeting on January 26, 2011.

Motion Passed.

- Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier
- Nay: None
- Abstain: None
- Not Present: Hadenfeldt, Johannes, Kadlecek and Reeves

EXPENDITURES REPORT

Fund expenditures reports showing financial activity and ending balances for January through May were distributed. For the benefit of new members, Gittins explained that General Fund appropriations are provided from the State treasury and represent actual dollars available to spend, while Cash Fund appropriations provide the authority to spend dollars that might come in from other sources. Since unused the Cash Fund appropriations carry forward across biennium budgets, the total spending authority can be quite large even though minimal or no actual dollars are being collected.

ADVISOR REPORTS

NRCS

Kristin Miller distributed and highlighted a report from NRCS to the Commission.

- With funding reductions taking place, the new State Conservationist (Craig Derickson) is working to emphasize NRCS's field work and reduce effort spent on program administration and contract management.
- The funding for RC&D was cut, and associated NRCS employees have been reassigned to other duties. Local resources are continuing the RC&D programs using funding from other sources.
- The funding for the Watershed program was also cut. This program was used to install flood control structures in watersheds of 250,000 acres or less.
- Other NRCS program highlights included:
 - Nebraska leads the nation in of Conservation Stewardship Program participation.
 - The Wetland Reserve Program helped restore wetland on 7,500 acres.
 - Grassland Reserve Program has been popular near Lincoln and Omaha to retain open spaces instead of expanded commercial or residential development.
 - The Upper Republican NRD was awarded a \$1 million AWIP program this year.
 - EQIP has 4,000 active contracts and more than 2,500 CSP contracts.

Nebraska Environmental Trust

Mark Brohman phoned in a report prior to the meeting. Comments included:

- Governor Heinemann reappointed Jim Stuart Jr., Gloria Erickson and Paul Dunn as Board members with terms that expire this year.
- A lawsuit has been filed by neighbors to the Snake River Falls property which the Game & Parks Commission is attempting to purchase in partnership with the Land Conservation Fund and the Snake River Falls Sportsman's Club. The Commission received a Trust grant to aid in this purchase.
- The Grants Committee will meet June 15 to prepare a recommendation for distributing \$600,000 not claimed by projects being closed-out under budget. The recommendation will be taken up at the full board meeting in mid-July.
- LB229 provides for grants of \$3.3 million per year for three years to the Water Resources Cash Fund (with provision to extend it for three more years).

UNL Water Center

Lorrie Benson reported:

- The Water Center has a proposal to add modeling as a sub-series to the Spring Lecture Series. This is driven by the Water for Food Center and will address all aspects from basic modeling to cutting edge applied modeling including other dimensions such as economic factors.
- Conservation & Survey Division is hiring two professional staff positions – a hydro-geologist and a geologist.
- Water for Food Center is interviewing for a new Director and advertising four positions; a ground water/surface water modeler geospatial hydro-geologist, a hydro-geophysicist, irrigation specialist, and a crop simulation specialist.
- Jim Goeke and Ray Sapalla are retiring.
- Water Tour: July 12–14, departing Kearney to travel the Loup and Niobrara basins.
- Water Law Conference - October 12 and Science Symposium - October 13.

NARD

Dean Edson distributed a legislative review during the Program Committee. Edson reported an increase to overall water management funding. Edson reviewed several key bills and their outcome, and distributed a list of interim studies the Legislature will conduct this summer/fall.

DNR UPDATE

Director Dunnigan was unable to attend the meeting. Gittins noted the Department's attention on the current flooding situation.

PROGRAM COMMITTEE

Program Committee Vice-Chair Anderson reported the Committee met on June 8, 2011, to discuss programs and review project status. Anderson briefly commented on programs listed under item No. 8 on the agenda, and noted that the status of all programs is "business as usual." Anderson then brought forward the following action items.

Resources Development Fund

Staff requested authority to work with sponsors to determine the appropriate obligation breakdown by component.

Anderson moved and Mercer seconded that staff be authorized to modify project components as necessary for obligation of FY 2012 funds.

Motion Passed.

Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier

Nay: None

Abstain: None

Not Present: Hadenfeldt, Johannes, Kadlecek and Reeves

Staff noted that obligations will be paid out quarterly to each project sponsor as spending authority is allotted.

Anderson moved and Clouse seconded obligation of FY 2012 funds to the following projects, effective July 1, 2011:

- *Maple Creek Recreation Area (Leigh Dam)* \$683,735.13
- *Lower Turkey Creek Watershed Project* \$611,577.95
- *Sand Creek Environmental Restoration (Wanahoo)* \$611,577.95
- *Upper Prairie/Silver/Moores Creek* \$611,577.95
- *Western Sarpy/Clear Creek Project* \$611,577.95

Motion Passed.

Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier

Nay: None

Abstain: None

Not Present: Hadenfeldt, Johannes, Kadlecek and Reeves

Subsequent to this meeting staff worked with sponsors to determine final obligation distributions to project components as follows:

- *Maple Creek Recreation Area (Leigh Dam)*
 - #5 Construction \$683,735.13
- *Lower Turkey Creek Watershed Project*
 - #3 Land \$461,577.95
 - #4 Construction \$150,000.00
- *Sand Creek Environmental Restoration (Wanahoo)*
 - #2 Engineering \$269,036.04 269,036.04
 - #3 Land 8,581.50
 - #4 Construction \$342,541.91 333,960.41
- *Upper Prairie/Silver/Moores Creek*
 - #2 Land \$200,000.00
 - #3 Engineering \$100,000.00
 - #4 Construction \$311,577.95
- *Western Sarpy/Clear Creek Project*
 - #3 Land \$297,228.79
 - #4 Construction \$314,349.16

Obligation of the FY 12 General Fund appropriation will reduce the unfunded portion of the projects allocation, thus creating room under the \$18.5 million cap for new allocations. Requests for allocation increases were submitted on three ongoing projects. Per action taken by the Commission in a previous meeting, any allocable amount not requested for ongoing projects would be applied to the Pigeon/Jones Creek Project.

Anderson moved and Brockman seconded to approve the following requests for allocation increases:

- Little Sandy Creek Watershed Project \$164,534.01
- Lower Turkey Creek Watershed Project \$575,000.00
- Western Sarpy/Clear Creek Project \$1,384,005.50
- Pigeon/Jones Creek Project \$1,090,487.64

Motion Passed.

- Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier
- Nay: None
- Abstain: None
- Not Present: Hadenfeldt, Johannes, Kadlecek and Reeves

Small Watersheds Flood Control Fund

Proceeds from recent land sales have increased the Unassigned Fund balance in this program. To satisfy commitments previously made by the Commission, the Program Committee recommended that \$117,845.50 be transferred to the Easement Fund.

Anderson moved and Knutson seconded to transfer \$117,845.50 into the Easement Fund from the Unassigned Fund.

Motion Passed.

- Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier
- Nay: None
- Abstain: None
- Not Present: Hadenfeldt, Johannes, Kadlecek and Reeves

Concern was raised over the dwindling Revolving Fund Base and value of land held for resale. Therefore, the Program Committee recommended transferring the remaining balance in the Unassigned Fund to the Revolving Fund Base.

Anderson moved and Nelson seconded to establish the Revolving Fund Base for the Small Watersheds Flood Control Fund at \$292,251.62 for Fiscal Year 2012.

Motion Passed.

- Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier
- Nay: None
- Abstain: None
- Not Present: Hadenfeldt, Johannes, Kadlecek and Reeves

Two tracts of land associated with dams upstream of Lake Wanahoo which are held in fee title by the Lower Platte North NRD will become available for sale in 2013. Rules stipulate that the Governor's Office must be notified in September of sales planned for the following fiscal year. Therefore, the Program Committee recommended setting the sales schedule for 2013.

Anderson moved and Steffen seconded to set the SWFCF sales schedule for the two tracts of land in inventory with the Lower Platte North NRD for 2013.

Motion Passed.

Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier

Nay: None

Abstain: None

Not Present: Hadenfeldt, Johannes, Kadlecck and Reeves

Interrelated Water Management Plan Program Fund

Projects which were completed without requiring all of the funding granted to them have made available \$446,061 for use on another project. This amount was combined with the General Fund appropriation for FY 12 of \$500,000 to establish the total available for grants.

After two rounds of detailed financial reviews with project sponsors, it was determined that available funds constituted about half of the amount needed for projects to proceed as planned. Some sponsors were forced to identify options including deferring or delaying project tasks and use of alternative short-term financing. Staff noted appreciation for the consideration and cooperation by all sponsors in dealing with funding constraints.

The Program Committee recommended that IWMPP grant amounts as proposed by staff be approved for FY 12.

Anderson moved and Knutson seconded to approve the FY 12 IWMPP funding grants effective July 1, 2011 as follows:

<u>Project No.</u>	<u>FY12 Grant Amount</u>	<u>Project No.</u>	<u>FY12 Grant Amount</u>
31	\$247,468	43	\$29,233
32	\$125,000	44	\$52,794
33	\$35,600	46	\$70,000
36	\$191,132	47	\$33,334
37	\$33,000	48	\$80,000
41	\$48,500		

Motion Passed.

Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier

Nay: None

Abstain: None

Not Present: Hadenfeldt, Johannes, Kadlecck and Reeves

After taking FY 12 grants into consideration, sponsors estimated that costs to complete current projects would justify IWMPP cost share in FY 13 and beyond of over \$1.5 million. Since the FY 13 budget appropriation was set at \$500,000, it is very unlikely that any funds will be available for new projects. On that basis, the Program Committee recommended that no new grant applications be accepted for an indefinite time.

Anderson moved and Clouse seconded to suspend the acceptance of new IWMPP grant applications.

Motion Passed.

Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier

Nay: None

Abstain: None

Not Present: Hadenfeldt, Johannes, Kadlecek and Reeves

RULES AND REGULATIONS

LeRoy Sievers reported that he had reviewed the general rules and regulations established by the Commission (Title 260). He stated an opinion that the terminology needs to be updated and a few sections related to conduct of public hearings likely need to be added. He then briefly described the rules change process, noting that the elapsed time can be rather lengthy.

Knutson moved and Anderson seconded to request that staff draft revised Commission Rules for consideration by the Commission at the September 2011 Commission meeting.

Motion Passed.

Aye: Anderson, Brockman, Clouse, Deines, Donaldson, Hergott, Knutson, Mercer, Nelson, Rexroth, Steffen and Watermeier

Nay: None

Abstain: None

Not Present: Hadenfeldt, Johannes, Kadlecek and Reeves

Update on Platte and Missouri River

Tom Hayden, who directs DNR's Bridgeport Field Office operations, reviewed activities and responsibilities established in the 1800's for administering the North and South Platte Rivers and continuing to the present. Hayden then focused on efforts which started in February to deal with unusually high flows. This included a describing in some detail the complications of projecting likely spring flows and the movement of water through upstream reservoirs, the difference between stage and flow, requirements for meeting needs of up- and down-stream water users, and the various rights of federal agencies and private users.

A recent report produced by the U.S. Army Corps of Engineers on current and projected main stem Missouri River reservoir statuses, releases, flows, and levels was distributed for review.

ANNOUNCEMENTS/OTHER BUSINESS

Nelsen discussed the potential benefits of trans-basin diversion for purposes of augmentation and damage mitigation during times of flooding. Hayden and Deines described a

contemplated project to move flood water from the North Platte River into the Pumpkin Creek Basin for groundwater recharge and to retime the flow to the Platte River.

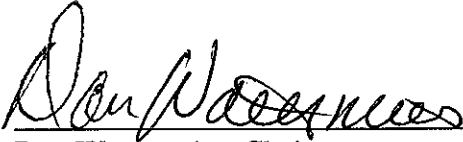
Commissioners noted that two of the programs/funds they oversee already address flood control needs, but available funds are committed well into the future. It was agreed that this topic would be placed on the September agenda for further consideration. Seivers suggested Commissioners review the specific statutes granting the Commission's authorities.

Rexroth thanked everyone for making the trip to Sidney.

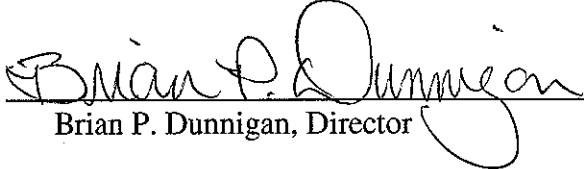
Commissioner's thanked Keith Rexroth, Rod Horn and staff for hosting the meeting, conducting the tours, and coordinating presentations.

* * * * *

The meeting was adjourned at 11:25 a.m.



Dan Watermeier, Chairman



Brian P. Dunnigan, Director