

NEBRASKA NATURAL RESOURCES COMMISSION

MEETING MINUTES – September 28, 2010

Those in attendance were:

Keith Rexroth, Chair	Tom Knutson, Appointed	Rachael Herpel, UNL
Jim Van Marter, Member	Dick Hadenfeldt, Member	John Miyoshi, LPNNRD
Dave Deines, Member	Vince Kramper, Member	Robert Mohler, LLNRD
David Kadleck, Member	Joseph Hergott, Member	Mike Onnen, LBNRD
Dick Mercer, Member	Garry Anderson, Member	Marlin Petermann, PMRNRD
Dan Watermeier, Member	Larry Moore, Member	Rex Gittins, NDNR
Beverly Donaldson, Member	Steve Chick, NRCS	Kent Zimmerman, NDNR

CALL TO ORDER & ROLL CALL

The meeting was called to order by Commission Chairman Rexroth at 2:00 p.m. at the Holiday Inn Hotel & Convention Center in Kearney, Nebraska. The following members were absent: Clint Johannes, Dan Nelsen and Ladd Reeves. The Governor appointed Tom Knutson to represent Surface Water User's interest; Knutson attended the meeting but was ineligible to offer motions or vote on any issues pending appointment confirmation by the Legislature.

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, and a copy of the public meeting statutes was available 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. Selected Agenda Topics Explanation Paper
3. Policy Statements I-IV (current & proposed)
4. Expenditures Report
5. Nebraska Resources Development Fund:
 - Funding Constraints and Possible Actions with NRD Input
 - Buck & Duck Project - Director's recommendation letter of June 25, 2010
 - Financial Status Report as of September 15, 2010
 - Quarterly Report: May 1 to July 31, 2010
6. Small Watershed Flood Control Fund:
 - Status Report as of September 15, 2010
 - Bases established for FY 2011
 - Table - Site #40 Auctioneer Services Bids
7. Nebraska Soil & Water Conservation Fund Status Report as of August 31, 2010
8. Nebraska Water Quality Fund Status Report as of August 31, 2010

9. Water Well Decommissioning Fund Status Report as of August 31, 2010
10. Buck and Duck Creeks Watershed Project Overview Packet

MINUTES

Minutes of the June 16-17, 2010, Commission and Committee meetings were approved.
Van Marter moved and Mercer seconded a motion to approve minutes of the June 2010 meetings of the Program Committee and Natural Resources Commission.

Motion Passed.

Aye: Hadenfeldt, Donaldson, Kadlecck, Deines, Hergott, Moore, Watermeier, Anderson, Rexroth, Mercer & Van Marter

Nay: None

Abstain: None

Not Present: Johannes, Kramper (arrived late), Nelson and Reeves

EXPENDITURES REPORT

Fund expenditures reports showing fund activity and balances for the three months ending August 31, 2010, were distributed. Gittins stated that there were no unusual expenditures to report other than cash fund transfers legislated by LB 1/LB 935. Transfer dates and amounts for FY 2011 were listed on the Funds Balances Report.

ADVISOR REPORTS

Natural Resources Conservation Service (NRCS)

State Conservationist Steve Chick reported that he has accepted the role of NRCS coordinator for new employee training and will be relocating out of state. Chick announced the appointment of Craig Derickson as the next State Conservationist.

Nebraska Environmental Trust

Vince Kramper reported that about 150 new applications were received this year and that about \$15 million will be available for grants. Kramper cautioned applicants to watch carefully the filing deadline as some applications were received late and therefore not allowed to be filed. The Trust is formulating a policy dealing with land rights purchases, easements and rentals.

UNL Water Center

Rachael Herpel mentioned the upcoming Water Law Conference and Platte River Basin Symposium, and speculated that news will be forthcoming in the next couple months regarding any changes the Water for Food Institute will have on the Water Center.

DNR UPDATE

Director Dunnigan submitted his report during the NARD conference. Gittins reported the DNR biennium budget request for 2011-13 reflected appropriation requests at the same level as FY 2011 for each of the next two fiscal years. The process included identifying what actions agencies would recommend if the State's economic situation required the budget be reduced by ten percent. The percentage had to be applied equally to both aid and the operating programs.

PROGRAM COMMITTEE

Program Committee Vice-Chair Kadlecek reported the following highlights from the Committee meeting which met at about 3:00 p.m. on September 27, 2010.

Nebraska Resources Development Fund

Financial and Status Reports

Financial Status Report and the Quarterly Report showed no unusual activity. Project sponsors have been advised that any remaining balances of obligated funds for each project would likely be de-obligated at the November meeting and transferred to another sponsor whose expenditures have exceeded their obligated funds to use all appropriated funding before calendar year end.

Buck and Duck Project Update

Bob Hilske gave an update on the Buck and Duck project during the Program Committee meeting. He stated that construction is expected to start this fall but is dependent upon receipt of the U. S. Army Corps of Engineers 404 permit. In response to a question from staff, Hilske noted that components of the project for which RDF cost share assistance is requested probably would not start until fall of 2011.

RDF Funding Constraints

Kadlecek noted that RDF funding constraints and concerns about zero allocation approvals were discussed with no consensus being reached or motions being raised regarding possible actions. Gittins offered to provide a spreadsheet at the November meeting showing formal allocation and obligation commitments that have been made against the \$18.5 million cap, and identifying sponsor funding expectations to which the Commission cannot commit under current statutory restrictions.

Adjustments to Apportionments

No adjustments were made to any project obligations. There will likely be adjustments made during the November meeting for projects with remaining balances.

Small Watersheds Flood Control Fund Status Report

Status Report

No unusual activity was reported. The FY 2011 revolving fund base was set at \$200,000 and the easement fund base was set at \$301,411.18 during the June meeting. Unassigned funds totaled \$180,395.15, comprised primarily of funds received from settle up on the Little Sandy land auction in January.

Lower Platte North NRD is working with staff to utilize this fund for seven dam sites located upstream of Lake Wanahoo. Miyoshi commented that LPNNRD's request for assistance on two fee title purchases would total about \$605,000, and assistance on easements (at 50% of the cost for eligible easements) is currently estimated at \$298,000.

Action to Select an Auctioneer

The Commission reviewed a summary of bids. Discussion included a brief description of services proposed by some firms that would expand geographic coverage for advertising and facilitate bidder participation via telephone and the internet.

Kadlecek moved and Watermeier seconded a motion to approve the auctioneering services bid of Home and Country, L.L.C., for the sale of 320 acre tract in the S½ of Section 2, Township 4 North, Range 1 West of the 6th P.M. in Thayer County associated with Little Sandy Creek Site No. 40 in January 2011.

Motion Passed.

Aye: Kramper, Hadenfeldt, Donaldson, Kadlecek, Hergott, Moore, Watermeier, Anderson, Mercer & Van Marter

Nay: Rexroth and Deines

Abstain: None

Not Present: Johannes, Nelson and Reeves

Soil and Water Conservation Fund

Normal activities. Gittins added that the NARD passed a resolution which would require the Commission's consideration of changes in the program rules and regulations. A request to proceed with the rules change process will likely be made at the November meeting.

Water Quality Fund

Normal activities.

Water Well Decommissioning Fund

Richters reported at the Program Committee meeting that revenue from well registrations has been dropping. As a result, some reimbursements have been delayed until funds are sufficient to pay requests are received.

Interrelated Water Management Plan Program Fund

Zimmerman reported that this fund has an unexpended balance of just under \$4 million. Staff has begun attending project update meetings held by sponsors, encouraging them to submit reimbursement claims as soon as possible and on a regular basis. In response to a Commissioner's suggestion that available funds be transferred to another project, Zimmerman pointed out that he is not aware that any sponsor has need for more funding than is currently granted. Gittins also noted that guidelines for this fund have no provisions for "un-granting" monies committed.

Anderson remarked that it may be time to raise the priority of implementation projects, such as water right buyouts. Rexroth questioned whether the Commission has any authority to buy out acres. Zimmerman responded that implementation is an approved type of project under this fund, but current guidelines give preference to studies. Gittins pointed out that there was discussion on grant priorities between studies and implementation projects last November when the Commission reviewed the guidelines. At that time, the Commission agreed to continue focusing on studies.

Zimmerman stated that staff has no proposals for guidelines changes going into the November meeting. He added that if Commissioners intend to make changes, they need to inform staff soon so discussion and possible action can be listed on the agenda. Gittins questioned whether staff could talk with sponsors by the November meeting to assess their current status, but this is unlikely due to other staff commitments. Anderson stated that changes to the guidelines may not

be necessary, but requested staff meet with sponsors to see if they would be able to get their money spent as soon as time allows, not necessarily before the November meeting.

COMMISSION POLICY STATEMENTS I – IV

Gittins stated these policies and proposed changes were reviewed at the June Commission meeting, and reiterated the current versions were in effect before the merger of the NRC and the DWR. Most changes were to eliminate personnel policies since personnel management is no longer a Commission duty. Since proposed revisions were discussed in the previous meeting, the Commission could take action at this meeting. In response to a question by Anderson about what had been changed, Gittins noted that changes were too significant to represent on a “red-lined” draft. Previous versions of the policies as well as the proposed version were provided for comparison.

Hadenfeldt moved and Donaldson seconded to adopt the revised Policy Statements I through IV. Motion Passed.

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

ANNOUNCEMENTS

Rexroth requested donations of \$10 for Roger Korell’s plaque.

The next meeting will be held November 17 & 18, 2010, at LPSNRD office.

Van Marter requested “*increasing the cap*” be added as a discussion item on the November agenda. Watermeier stated that November – January is the time to discuss this with legislators.

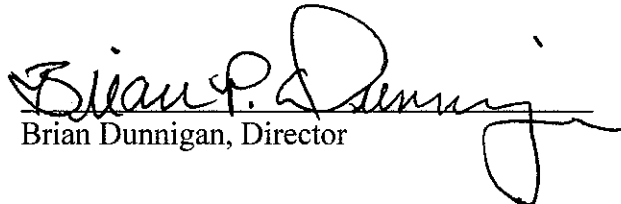
The three member review committee will tour the Buck & Duck project on November 16th, and come to the next Commission meeting with a recommendation.

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Meeting was adjourned at 2:47 p.m.



Keith Rexroth, Chair



Brian Dunnigan, Director