

NEBRASKA NATURAL RESOURCES COMMISSION
DRAFT MEETING MINUTES – September 8th, 2016
MONSANTO WATER UTILIZATION LEARNING CENTER
Gothenburg, Nebraska

Roll Call:

Commissioners		Absent	Present	Commissioners		Absent	Present
Amen	Karen		X	Kraus	Don		X
Anderson	Garry		X	Palm	Owen	X	
Barels	Brian	X		Rains	Darrell M.	X	
Batie	Donald		X	Rexroth	Keith	X	
Christensen	Joel		X	Reynolds	Michael (Mick)		X
Clouse	Stan		X	Smathers	Scott		X
Deines	Dave	X		Smith	Lindsey		X
Dunbar	Brad		X	Steffen	Jeff		X
Fornoff	Kevin		X	Strauch	Walter Dennis		X
Hadenfeldt	N. Richard		X	Sugden	Steven	X	
Hergott	Joseph		X	Taylor	Loren		X
Kadlecek	David		X	Thompson	Jim	X	
Knutson	Thomas		X	Wright	Chad		X
Kosman	Henry (Hod)	X					

DNR staff in attendance:

Jeff Fassett, Rex Gittins, Kent Zimmerman, LeRoy Sievers, Jill Richters and Tim Freed

Others in attendance were:

Rick Wilson, JEO; Tom Mountford, LPNNRD; Jim McDermott, LPNNRD; Jim Goeke, UNL-CSD; Ron Morrissey, Todd Morrissey, Erik Alm.

CALL TO ORDER, ROLL CALL

Chairperson Fornoff called the meeting to order at 1:30 p.m. at the Monsanto Water Utilization Learning Center, Gothenburg, Nebraska.

NOTICE OF THE MEETING

Notice of the meeting was published on the State Public Meetings Calendar and on the Natural Resources Commission web site at <https://nrc.nebraska.gov>. A copy of Nebraska's public meeting statutes was available in the room.

MINUTES

Knutson moved and Kraus seconded the motion to approve the minutes of the June 27th, 2016 Commission meeting.

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen	X				Kraus	X			
Anderson	X				Palm				X
Barels				X	Rains				X
Batie	X				Rexroth				X
Christensen	X				Reynolds	X			
Clouse	X				Smathers	X			
Deines				X	Smith	X			
Dunbar	X				Steffen	X			
Fornoff	X				Strauch	X			
Hadenfeldt	X				Sugden				X
Hergott	X				Taylor	X			
Kadlecek	X				Thompson				X
Knutson	X				Wright	X			
Kosman				X	TOTALS	19	0	0	8

DNR UPDATE

Director Fassett reported the states of Kansas, Colorado and Nebraska have come to closure on key compact issues, setting the framework to move forward with more effective administration of the Republican River Compact. Two major agreements have been reached, one regarding Harlan County Reservoir and another regarding the accounting of Colorado's streamflow augmentation project and flow issues on the South Fork. Colorado has committed to eliminate irrigation on

25,000 acres of land between now and 2027 in the South Fork drainage, adding to the 23,000 acres already converted to reduce ground water depletion and the effects of those depletions on streamflow.

Fassett also announced that as of two weeks ago, 22 of the 23 NRDs now have an Integrated Water Management planning process underway. DNR is shifting staff to keep up with the technical needs of those districts and the work associated with this process.

EXPENDITURES REPORT

Fund reports showing financial activity and ending balances through August 31, 2016, were distributed prior to the meeting. No unusual expenditures were reported. Gittins noted the Critical Infrastructure Facilities Cash Fund had been included by mistake and that it was not one of the Commission's responsibilities. Gittins also introduced Tim Freed who is transitioning into a human resources and finance position which will ultimately include working with the Commission's budget.

NRD EROSION & SEDIMENT CONTROL PROGRAMS

Staff noted that all three NRD programs submitted for approval at this meeting had followed the template that the Commission had reviewed earlier in the year and were similar to the seven reviewed at the June Commission meeting.

Smathers moved and Batie seconded the motion to recommend the Director approve the Revised Erosion & Sediment Control Programs for the Lewis & Clark NRD, Nemaha NRD, Upper Big Blue NRD.

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen	X				Kraus	X			
Anderson	X				Palm				X
Barels				X	Rains				X
Batie	X				Rexroth				X
Christensen	X				Reynolds	X			
Clouse	X				Smathers	X			
Deines				X	Smith	X			
Dunbar	X				Steffen	X			
Fornoff	X				Strauch	X			
Hadenfeldt	X				Sugden				X
Hergott	X				Taylor	X			
Kadlecek	X				Thompson				X
Knutson	X				Wright	X			
Kosman				X	TOTALS	19	0	0	8

CAUCUS 2017 DISCUSSION & POSSIBLE ACTION

Basin

Elkhorn

Little Blue

Middle Platte

Niobrara

North Platte

Republican

Current Commissioner

Garry Anderson

Joe Hergott

Mick Reynolds

David Kadlecek

Dave Deines

Kevin Fornoff

PROPOSED POLICY CHANGES DISCUSSION & POSSIBLE ACTION

Sievers called attention to the revised draft Policy Statement I and reported that further changes requested at the last Commission meeting had been incorporated. These included adding Natural Resources Conservation Service as an advisor, listing the membership of the Executive Committee, and noting that half of the Application Review Committee members are to be appointed by the Executive Committee each year. Sievers also mentioned that Policy Statement XV is a new policy.

Fornoff added that Commissioner Thompson had emailed suggested changes to Policy XV prior to the meeting.

Dunbar requested that “Water Sustainability Fund” be added to the name “Application Review Committee” in Policy I to clarify the responsibility of the committee.

Fornoff questioned whether the Application Review Committee is an ad hoc or standing committee. Sievers replied that, as stated in the proposed policy, it is a standing committee.

Amen asked for clarification as to the role of advisors and why other agencies were not specifically named in Policy I. Sievers replied that NRCS was added because it has similar conservation interests and usually attends Commission meetings.

Reynolds questioned the need to include the past chairman on the Executive Committee in Policy I.

Reynolds moved and Clouse seconded the motion to remove the past chairman from the membership of the Executive Committee in Policy I (Section 7, Item 1).

Motion Withdrawn.

Batie asked if the definition for prior expenses in Policy XV was clear and workable in the real world, not just theoretical. Several Commissioners believed the definition was sufficiently clear, but it was noted that a change had been requested by Thompson. It was further noted that the Commission will still be tasked with determining the appropriate funding amount at approval.

Zimmerman noted some of the Water Sustainability Fund applications submitted in July appeared to have issues, and will require the Commission to determine the amount to be committed if those applications are ultimately funded. He noted the discrepancies will be discussed with the Application Review Committee and recommended that the Committee propose a specific grant and/or loan total for each when presenting its scoring recommendations to the full Commission.

Smathers moved and Strauch seconded the motion to approve Policy Statements I & XV as amended.

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen	X				Kraus	X			
Anderson	X				Palm				X
Barels				X	Rains				X
Batie	X				Rexroth				X
Christensen	X				Reynolds	X			
Clouse	X				Smathers	X			
Deines				X	Smith	X			
Dunbar	X				Steffen	X			
Fornoff	X				Strauch	X			
Hadenfeldt	X				Sugden				X
Hergott	X				Taylor	X			
Kadlecek	X				Thompson				X
Knutson	X				Wright	X			
Kosman				X	TOTALS	19	0	0	8

PROGRAM COMMITTEE

A separate Program Committee meeting was not held, so staff led the discussion on agenda topics pertaining to program activities. No unusual activity was reported during discussion of status reports for the following funds.

Resources Development Fund

- The status report showed no unusual activity. Staff noted quarterly allotments are being reduced by 1% pending further notice as the Governor's administration is preparing for lower than forecast revenues and an associated budget shortfall.

Small Watersheds Flood Control Fund

- The only activity in this fund since the June meeting was the addition of accrued interest. The current balance is \$715,033.81.

Soil and Water Conservation Fund Program

- Status report showed normal activity since the last report. As of the end of June, three NRDs returned unobligated funds which were added to the normal allocation. A total of just over \$2.4 million was allocated to the NRDs in July.

Natural Resources Water Quality Fund

- A \$400,000 distribution to the NRDs was made in August. The next distribution will be in February.

Water Well Decommissioning Fund

- Normal activity since the last report. A \$135,000 allocation was made to the NRDs in July.

Water Sustainability Fund

- The status report and 2016 Application Update showed the following:

	<u>2016 Applications Filed</u>		<u>Available</u>	<u>Requested</u>
(1)	CSO	@	\$800,796	10%
(24)	\$250,000 or under	@	\$1.3 Million	\$4 Million
(9)	\$250,001 and up	@	\$23 Million	\$40.6 Million
	TOTAL		\$25 Million	\$45 Million

- Staff led a discussion regarding the options for dealing with the current 4% reduction in spending authority and the implications for the Commission in committing funds to the 2016 applications. Commissioners discussed the choices and agreed to reserve the 4% of total appropriations from funds available to commit to the July applications.
- Meeting dates for the Application Review Committee Review and Scoring and the full Commission Review and Scoring Schedule were discussed. The Application Review Committee chose to meet on November 29 through December 1, and the Commission will conduct a special meeting during the week of December 12th in Kearney, Nebraska to finalize scoring and ranking and to approve grant and loan commitments.

DISCUSSION – LAKE WANAHOO OPERATIONS & BENEFITS

Amen described a request made by the Board of the Lower Platte North NRD to the Commission regarding operating the lake level three feet lower to provide additional storage for flood water to benefit downstream landowners. She then asked Sievers to describe the role of the Commission at this stage of the project development.

Sievers reviewed the rules and statutes governing the Resources Development Fund, the contract between the Department and the sponsor, LPNNRD, and the NRD's request. Sievers examined

the role of the Commission at this juncture of the project related to the request and concluded that the Commission has no role regarding the request.

PUBLIC COMMENTS

- Ron Morrissey thanked Amen for her efforts to provide downstream landowners with information. He described the need for additional flood reduction and the ability of Lake Wanahoo to provide some of the additional flood storage needed by the landowners downstream to protect their ground from flooding and erosion. Morrissey thanked the Commission for their time and stated that he and the other downstream landowners would work with the LPNNRD board.
- Tom Mountford, Assistant Manager of LPNNRD, described the past activities regarding this issue and the various concerns the funding partners would have if changes to operations are made. Mountford also described current plans and work in progress to provide flood reduction to the Wahoo Creek basin.
- LPNNRD board member Jim McDermott thanked the Commission for reviewing the Board's request, and noted special thanks to Amen for all of her work.

OTHER BUSINESS

- No other business was discussed.
- No specific agenda items were requested for the next regularly scheduled meeting on February 21-22, 2017, in Kearney, Nebraska.
- The special meeting to finalize scoring and ranking of 2016 Water Sustainability Fund applications and to approve grants and loans will be held on December 12, 2016, at the Holiday Inn in Kearney.

ADJOURNMENT

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The meeting was adjourned at 2:58 p.m.