

NEBRASKA NATURAL RESOURCES COMMISSION

DRAFT MEETING MINUTES – June 27th, 2016

FAIRFIELD INN & SUITES – Kearney, 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 and Jill Richters

Others in attendance were:

Mike Clements, LRNRD; Dean Edson, NARD; Marie Krausnick, UBBNRD; Marlin Petermann, P-MNRD; Lyndon Vogt, CPNRD; and Jack Wergin, UBBNRD.

CALL TO ORDER, ROLL CALL

Chairperson Fornoff called the meeting to order at 1:00 p.m. at the Fairfield Inn & Suites, Kearney, 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.

WELCOME AND INTRODUCTION OF NEW MEMBERS

Brad Dunbar was welcomed as a new member appointed by Governor Ricketts to represent manufacturing interests on the Commission.

INFORMATIONAL MATERIALS

The following informational materials were distributed at the meeting. Copies are attached to the file copy of these minutes.

1. Commission Meeting Agenda
2. Funds Expenditures and Cash Fund Balances Reports
3. Resources Development Fund (RDF) Status Report as of 6/27/2016
4. Resources Development Fund FY 2017 Allocation & Obligation Table
5. Small Watershed Flood Control Fund Status Report as of 5/31/2016
6. Nebraska Soil & Water Conservation Fund (NSWCPF) Status Report as of 5/31/2016
7. UBBNRD 5/23/2016 Letter Requesting VRI & VFD be added to NC-17, NSWCP
8. Water Quality Fund Status Report as of 5/31/2016
9. Water Well Decommissioning Fund Status Report as of 5/31/2016
10. Water Sustainability Fund – Appropriations and Funds Transfers
11. Redline Changes to Policy Statements I and XV

MINUTES

Thompson asked that his name along with Amen's be added to the list of Commissioners who indicated they had read all Water Sustainability Fund applications. Thompson also noted his objection to his vote being counted as "abstain" rather than "present, not voting" on the motion to increase the score from four points to six points on question number eight on the Papio Missouri NRD's application No. 4137.

Knutson moved and Reynolds seconded the motion to approve the minutes of the April 19th, 2016 Commission meeting, 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	16	0	3	8

PUBLIC COMMENTS

No public comments were offered.

DNR UPDATE

Director Fassett reported high water flow conditions for the year, especially in the North & South Platte basins, have been quite bountiful. He reported that Pathfinder Dam has been spilling for the third time in the last fifty years which sends a good signal for the Platte system for 2017. Flows are starting to taper off now and certain areas in the Republican and Niobrara basins are under administration.

EXPENDITURES REPORT

Fund reports showing financial activity and ending balances through May 31, 2016, were distributed prior to the meeting. No unusual expenditures were reported.

EROSION AND SEDIMENT CONTROL PROGRAM

Red Line Changes - State Plan – Review & Possible Action

A final version of the red line changes to the State’s Erosion & Sediment Control Program was distributed prior to the Commission meeting.

Reynolds moved and Anderson seconded the motion to recommend the Director approve the redline changes to the State Erosion and Sediment Control Program.

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

NRD’s E&SCP Revisions – Review & Possible Action

Amen noted that each NRD is responsible for enforcing erosion and sediment complaints and that allowable soil loss values, expressed in tons per acre, differ across the state.

Batie moved and Hadenfeldt seconded the motion to recommend the Director approve the Revised Erosion & Sediment Control Programs for the SPNRD, ULNRD, P-MNRD, T-BNRD, LNNRD, LBNRD, & LENRD.

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	18	1	0	8

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, including listing the members of the Executive Committee, noting that half of the Application Review Committee members are to be appointed by the Chairman each year, and adding the Natural Resources Conservation Service (NRCS) as a member of the advisory council. Sievers also mentioned that the revised draft of Policy Statement XV was distributed but should be laid-over for consideration and possible action at the next meeting to allow opportunity for further changes to be proposed.

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. All but two projects had claimed all of their available funds.
- Staff reported the following transfers had been made under the authority of the Commission’s Rules, Title 256, Chapter 4 – No. 12, to facilitate sponsor reimbursements:

UPPER PRAIRIE/SILVERS/MOORES

Component	No.	Amount Reduced	Amount Increased
LAND RIGHTS	2	\$34,253.89	
ENGINEERING	3		\$34,253.89

WESTERN SARPY/CLEAR CREEK

Component	No.	Amount Reduced	Amount Increased
LAND RIGHTS	4	\$4,997.08	
CONSTRUCTION	3		\$4,997.08

LAKE WANAHOO

Component	No.	Amount Reduced	Amount Increased
LAND RIGHTS - Pre Approval	5	\$52,444.11	
RECREATION	20		\$52,444.11

- No action was taken to modify Project Components as Necessary for Obligation of FY 2017 Funds.
- FY 2017 Allocation & Obligations, based upon a formula used last year, were depicted on the attached table titled “Nebraska Resources Development Fund FY 2017 Allocation & Obligation.” Project sponsors have also requested that the obligation to each project be divided into components as depicted on this table.

Smathers moved and Knutson seconded the motion to Allocate & Obligate FY 2017 RDF funding as depicted on the attached Nebraska Resources Development Fund FY 2017 Allocation & Obligation table.

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

Small Watersheds Flood Control Fund

- The only activity in this fund for the past year was the addition of accrued interest. The current balance is \$711,271.57.

Hergott moved and Anderson seconded the motion to establish the revolving fund base for the Small Watersheds Flood Control Fund at \$711,271.57 for FY 2017.

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

- No action was taken to set a sales schedule for the upcoming fiscal year as there is no land in inventory and therefore no sales are projected.

Soil and Water Conservation Fund Program

- Status report showed normal activity since the last report. New allocations will be made in July.
- Richters stated that the Upper Big Blue NRD has requested Variable Rate Irrigation (VRI) and Variable Frequency Drive (VFD) be added as eligible components under NC-17 Irrigation management practices. Marie Krausnick, Upper Big Blue NRD discussed the benefit of allowing cost share for zone and precision application tied to this item. Richters mentioned that she had received about a dozen letters from other NRD managers supporting this request.
- Dunbar described the technology, costs and reliability of these items stating that the technology has been out for ten years.

Knutson moved and Smathers seconded the motion to add variable rate irrigation and variable frequency drive to the list of eligible practices under NC-17 irrigation management.

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	18	1	0	8

Natural Resources Water Quality Fund

- An estimated \$400,000 distribution will be made in August.

Water Well Decommissioning Fund

- Normal activity since the last report. At the current expenditures rate, there may be \$200,000 available next year.

Water Sustainability Fund

- The status report showed that FY 2017 funding plus carryforward would approximately total the following:

Combined Sewer Overflow	\$800,796
Requests of \$250,000 or less	\$1,321,198
Requests over \$250,000	<u>\$22,999,083</u>
TOTAL	\$25,121,077

Zimmerman estimated DNR and Game & Parks would complete reviews by the end of September, depending upon the number of applications filed. The Scoring Committee could make recommendations by the end of November; and the Commission could finalize scores and award funding at a special meeting in December.

Christensen, Batie and Smathers said the Committee is strongly committed to complete review of these applications such that the Commission can take action prior to the end of the calendar year.

- No adjustments were necessary for FY 2016 Allocation/Obligations regarding prior costs.
- An updated list of possible items to be changed in Water Sustainability Fund Rules was distributed and discussed. Commissioners were asked to identify any other revisions they deem appropriate and forward those to Chairman Fornoff, Committee Chair Smathers or to staff for discussion at the next meeting.

Smathers pointed out the need for more specificity regarding how prior costs will be administered based on the interpretation of current rules. He stated that the Committee has asked staff to include the following statement on the website for applicants to read prior to uploading applications:

“Applicants should identify as part of the application the direct costs separately identifying (1) prior costs including (a) costs prior to application and (b) estimated costs from date of application until project approval; and (2) the balance of direct project costs.”

Zimmerman suggested the Commission should designate an estimated approval date in the above statement to help the applicant estimate prior cost.

Director Fassett expressed concern about allowing prior costs to be included as part of reimbursable expenditures. He pointed out his staff’s difficulty in resolving how reimbursements for prior costs are computed, and added that the limited funds available will be diluted if used to cost-share on items that sponsors have chosen to pay with no assurance that their application will be approved.

OTHER BUSINESS

- No other business was discussed.
- No agenda items for the next meeting were offered. The next Commission meeting is scheduled on September 8 at the Monsanto Water Utilization Center near Gothenburg.
- Strauch asked that the handouts be numbered and cross-referenced to associated agenda items.

ADJOURNMENT

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The meeting was adjourned at 2:34 p.m.

DRAFT

NEBRASKA RESOURCES DEVELOPMENT FUND FY 2017 ALLOCATION & OBLIGATION

PROJECTS	ALLOCATION	OBLIGATION	Component	Amount
Buck & Duck Watershed	562,074.44	562,074.44	#1 Land	432,153.47
			#2 Recreation	129,920.97
Lower Turkey Cr. Watershed	350,754.89	350,754.89	#3 Land	111,965.00
			#4 Construction	238,789.89
Pigeon/Jones Creek	2,364,918.57	2,364,918.57	#2 Construction	2,364,918.57
Upper Prairie/Silver/Moores	1,912,556.18	1,912,556.18	#3 Engineering	150,000.00
			#4 Construction	1,762,556.18
Lake Wanahoo	0.00	460,861.12	#5 Land - Pre Approv	432,754.03
			#20 Recreation	28,107.09
Western Sarpy/Clear Creek	489,159.80	489,159.80	#4 Construction	489,159.80
TOTAL	5,679,463.88	6,140,325.00		\$ 6,140,325.00