

# MINUTES OF THE NEBRASKA NATURAL RESOURCES COMMISSION MEETING

November 16, 2006  
Lower Platte South NRD – Lincoln, Nebraska

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Those in attendance were:

Garry Anderson, Chair	Gene Stoklasa, CPNRD
Wayne Madsen, Vice Chair	Kevin Prior, Olsson Associates
Jim Van Marter, Member	Dave Clabaugh, LBBNRD
John Burkholder, Member	Glenn Johnson, LPSNRD
Richard Hadenfeldt, Member	Paul Zillig, LPSNRD
Vincent Kramper, Member	Doug Gahn, NRCS
Beverly Donaldson, Member	Pat Korell
Roger Korell, Member	Ann Bleed, Staff
Clinton Johannes, Member	Jim Cook, Staff
Joseph Hergott, Member	Rex Gittins, Staff
Myron Lembke, Member	Jeremy Gehle, Staff
	Jill Richters, Staff
	Ron Theis, Staff
	Kent Zimmerman, Staff

## CALL TO ORDER

The meeting was called to order by Commission Chair Garry Anderson in the conference room at the Lower Platte South NRD office in Lincoln, Nebraska, at 1:30 p.m.

## NOTICE OF THE MEETING

Notice of the meeting was published in the LINCOLN JOURNAL & STAR on November 8, 2006.

## INFORMATIONAL MATERIAL

The following items of informational materials were distributed 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. DNR Fund Expenditures for September - October 2006
3. Natural Resources Conservation Service Report
4. Nebraska Resources Development Fund Quarterly Report
5. Nebraska Resources Development Fund Semi-Annual Review of Active Projects
6. Nebraska Resources Development Fund Status and Direction Memo
7. Acting Director's Recommendation Memos:
  - Antelope Creek Project Amendment and Request to Obligate Funds
  - Milburn Dam Project Proposal
  - Elm Creek Project Proposal
8. Small Watersheds Flood Control Fund Status Report
9. Soil & Water Conservation Fund Status Report
10. Natural Resources Water Quality Fund Status
11. Water Well Decommissioning Fund Status
12. Integrated Water Management Planning Program Fund Status

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13. Proposed Integrated Water Management Planning Program Fund Guidelines for Fiscal Year 2007-2008
14. Proposed Procedures for January 2007 Commission Member Caucuses

MINUTES

Motion was made by Kramper and seconded by Van Marter to approve the minutes of the July 13, 2006, Commission meeting as distributed. Motion carried.

Aye: Burkholder, Hergott, Donaldson, Kramper, Lembke, Johannes, Hadenfeldt, Van Marter, Anderson, Korell, Madsen

Nay: None

Not Present: Rexroth, Garratt, Davis, Jiskra, Watermeier

EXPENDITURES

The expenditures report for the various funds for the months of September - October 2006 had been distributed to Commission members. No unusual items were noted.

ADVISOR'S COMMENTS

Doug Gahn from NRCS distributed a report and briefed the Commission on programs and achievements. The Wetlands Reserve Program succeeded in protecting a record 4,000 acres of wetlands in Nebraska in FY 2006. In the Farm and Ranchlands Protection Program, a cooperative agreement with the Nebraska Land Trust was signed which protects approximately 230 acres of primarily cropland in Saunders County. The Iron Horse Trail Lake 319 Special Project Area was developed in combination with the Nebraska Environmental Trust, Nemaha NRD, and NRCS EQIP to provide 90% cost-share assistance to landowners for installation of approved conservation practices.

ACTING DIRECTOR'S REPORT

Acting Director Ann Bleed reported that State budgets will likely be constrained for the 2007-2009 biennium which will have implications for programs that the Commission oversees as well as department activities. The department's budget request includes continued funding for these programs at the present levels, but she recommended that program management processes be reviewed by the Commission to help assure desired goals will continue to be achieved.

ENVIRONMENTAL TRUST

Vince Kramper informed the Commission that Mark Brohman was selected to fill the director position starting on December 1<sup>st</sup>. Thirty applications were received for the new Public Information & Education (PIE) MiniGrants, and five grants of \$2,500 each were awarded in the first of six annual applications reviews. Vince added that the Trust was also working on revising guidelines to deal with project extensions.

PLATTE AND REPUBLICAN RIVER ACTIVITIES

Acting Director Bleed noted that Governor Heineman signed the Platte River Cooperative Agreement. Colorado was the first to sign the agreement, and all indications are that Wyoming will sign on very soon. Nebraska's challenge will now shift to implementing the agreement provisions. Ann also reported that the Governor plans to meet with Republican Basin NRDs in December to begin gearing up for the next phase of compliance with the Republican River Decree.

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WATER POLICY TASK FORCE

Acting Director Bleed reported that the Water Policy Task Force is focusing on the issue of funding the LB 962 implementation activities assuming a two- or three-phase implementation process. This will entail defining funding requirements in more detail, establishing priorities for activities across all basins, and developing definitive plans and schedules for using the funds. Ann added that the Commission may be asked to review the funding requests and establish priorities from a state-wide perspective. Clint Johannes also noted that retaining consulting services to assist in developing appropriate processes was discussed. A key question is whether or not the State budget should be used to fund depletions offset plans.

PROGRAM COMMITTEE

Clint Johannes reported that the Program Committee, which met on the afternoon of November 15<sup>th</sup> and the morning of November 16<sup>th</sup>, had reviewed and discussed the status reports for all programs. (Note: Although they were not able to attend the full Commission meeting, Dan Watermeier, Wayne Davis, and Richard Jiskra were present at the Program Committee meeting).

Nebraska Resources Development Fund (NRDF)

Clint summarized Program Committee discussion regarding constraints in annual funding appropriations, the statutory cap on unfunded project allocations, and the number and size of expected funding requests will create significant challenges for the Commission in its administration of the NRDF. To address these issues, the Commission should assess and consider acting to: Define specific priorities for funding eligible project purposes; refine project evaluation criteria; assess the appropriateness of historical cost-share levels; consider changes in the timing of proposal and application submission and staff review; etc.

To adequately address these topics, it was agreed that a special Program Committee meeting should be held. It was further agreed that the meeting would be in Kearney, Nebraska, on December 19 from 9:00 a.m. until approximately 3:00 p.m. The following actions to prepare for the meeting were outlined.

- Staff was directed to document discussion topics and prepare a summary analysis of the last 10 projects approved for NRDF funding, and distribute this information to Commission members by November 22<sup>nd</sup> with a request for comments and additions.
- Commission members will review the information and submit additional discussion items and comments to Rex Gittins by December 2<sup>nd</sup>.
- Staff will consolidate discussion items by topic, prepare a draft meeting agenda, and distribute these to Commission members by December 12<sup>th</sup>.

In further discussion, Commission members determined that amendment requests and project applications now being reviewed should be dealt with in accordance with the current process.

Clint Johannes presented the Program Committee's recommendation to approve Lower Platte South NRD's request to amend the Antelope Creek Project to allocate RDF funding for additional construction and recreation components. Inclusion of these components totaling \$2,650,000 (construction of \$2,200,000 and recreation of \$450,000) at the present cost-share rate of 60% would result in an additional RDF allocation of \$1,590,000 to the project. Staff had determined that approving an amendment to the Antelope Creek Project Application and Feasibility Report as requested by Lower Platte South NRD would be consistent with RDF statutes and rules and regulations, and that the project also continued to be economically feasible and consistent with other eligibility criteria. Acting Director Bleed stated that her recommendation was to consider the request in light of the \$18.5M cap and the impact that approving the amendment will have on the availability of funding for all other projects. Jim Cook added that the contract with LPSNRD does not include provision for reimbursement of excess RDF funding in the event

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that Corps of Engineers reimbursements result in the RDF share exceeding 60% of the NRD's final share of non-federal costs for these components.

Motion was made by Clint Johannes and seconded by Roger Korell to recommend that the Commission (1) approve the amendment to increase the NRDF allocation to the Antelope Creek Project to include new construction (Component #7) at a total cost of \$2,200,000 and new recreation (Component #8) at a total cost of \$450,000 at a cost-share rate of 60%, resulting in additional NRDF allocation of \$1,590,000 (\$1,320,000 for new construction (Component #7) and \$270,000 for new recreation (Component #8), and (2) to direct staff to include contract provisions for the NRD to refund to NRDF any amounts in excess of 60% of Sponsor's share of the final non-federal project costs if Corps of Engineers reimbursements result in the NRDF share exceeding 60% of the Sponsor's final share of those non-federal costs.

Aye: Donaldson, Lembke, Hergott, Kramper, Burkholder, Anderson, Johannes, Madsen, Korell, Van Marter, Hadenfeldt

Nay: None

Abstain: None

Not Present: Rexroth, Garratt, Davis, Jiskra, Watermeier

Clint then presented the Program Committee's recommendation to obligate \$596,499.98 to the Antelope Creek Project for FY 07 for the Additional Construction (Component #7).

Motion was made by Clint Johannes and seconded by Vince Kramper to obligate \$596,499.98 for FY 07 for new construction (Component #7) for the Antelope Creek Project.

Aye: Lembke, Hergott, Kramper, Burkholder, Anderson, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Donaldson

Nay: None

Abstain: None

Not Present: Rexroth, Garratt, Davis, Jiskra, Watermeier

Based on review of the project proposal, staff recommended that the Sargent Irrigation District be authorized to proceed with an application and feasibility report for the Milburn Dam Rehabilitation project. Clint Johannes reported that the Program Committee had taken action to concur with the staff recommendation. Commission members agreed that the notification to the Sponsor should not indicate a likely cost-share range, and instead state that additional information in the application and feasibility report will affect the eventual NRDF cost-share rate recommendation.

Motion was made by Clint Johannes and seconded by Vince Kramper to advise the Sargent Irrigation District that it may proceed with an application and feasibility report for the Milburn Dam Rehabilitation Project and that it is to address the comments and questions contained in the letter from the Acting Director of Natural Resources. Furthermore, the notification will state that additional information in the application and feasibility report will affect the eventual NRDF cost-share rate recommendation.

Aye: Hergott, Kramper, Burkholder, Anderson, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Donaldson, Lembke

Nay: None

Abstain: None

Not Present: Rexroth, Garratt, Davis, Jiskra, Watermeier

Based on review of the project proposal, staff recommended that the Central Platte NRD be authorized to proceed with an application and feasibility report for the Elm Creek Watershed Project. Clint Johannes reported that the Program Committee had taken action to concur with the staff recommendation.

Commission members again stated that the notification to the Sponsor should not indicate a likely cost-share range, and instead state that additional information in the application and feasibility report will affect the eventual NRDF cost-share rate recommendation.

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Motion was made by Clint Johannes and seconded by Richard Hadenfeldt to advise the Central Platte NRD that it may proceed with an application and feasibility report for the Elm Creek Watershed Project and that it is to address the comments and questions contained in the letter from the Acting Director of Natural Resources. Furthermore, the notification will state that additional information in the application and feasibility report will affect the eventual NRDF cost-share rate recommendation.

Aye: Kramper, Burkholder, Anderson, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Donaldson, Lembke, Hergott

Nay: None

Abstain: None

Not Present: Rexroth, Garratt, Davis, Jiskra, Watermeier

Other Funds

Status reports for other funds were identified. Clint Johannes stated that the reports were presented and discussed at the Program Committee. No further comments or questions were raised.

Clint reported that staff had submitted proposed revisions to the Interrelated Water Management Plan Program (IWMPP) Fund Guidelines and Limitations for FY 2007-08 for review by the Program Committee. The most significant changes were related to dates for application submission and review that would enable the Commission to authorize distribution of appropriated funds as soon as possible after the beginning of each fiscal year. The proposed applications deadline of March 1<sup>st</sup> would enable staff to provide an initial ranking of the projects to the Program Committee at the first meeting after April 30<sup>th</sup> with Commission for review and approvals. Clint Johannes reported that the Program Committee had taken action to concur with the staff recommendation.

Motion was made by Clint Johannes and seconded by Roger Korell to adopt changes to the IWMPP Fund Guidelines and Limitations as proposed by staff.

Aye: Burkholder, Anderson, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Donaldson, Lembke, Hergott, Kramper

Nay: None

Abstain: None

JANUARY 2007 COMMISSION MEMBER CAUCUSES

Rex Gittins reported that commission member caucus meetings must be held between January 5 and 14, 2007, to select Commission members to represent the following River Basins for the term January 18, 2007 – January 20, 2011:

- Big Blue
- Loup
- Lower Platte
- Missouri Tributaries (2 members)
- Nemaha
- South Platte

The procedure used to schedule and conduct prior caucuses were distributed for review. Staff requested the Commission's approval of the procedures and authorization to coordinate with NRD managers and Commission members involved to schedule the January 2007 caucuses.

Motion was made by Clint Johannes and seconded by Jim Van Marter to approve the procedure for January 2007 Commission Member Selection Caucuses and to authorize the staff to work with the NRD managers and Commission members involved to schedule the caucuses.

Aye: Anderson, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Donaldson, Lembke, Hergott, Kramper, Burkholder

Nay: None

Abstain: None

Not Present: Rexroth, Garratt, Davis, Jiskra, Watermeier

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The issue of which program(s) could be leveraged to assist NRDs with phreatophyte control was discussed at the Program Committee meeting. It appeared that this could be considered an acceptable purpose / practice under several funds, but might be a better fit for the Soil and Water Conservation Fund. Staff was directed to research the Soil and Water Conservation Fund guidelines and report back at the next Commission meeting.

ANNOUNCEMENTS, FUTURE MEETINGS, AGENDA ITEMS

A special meeting to discuss the Nebraska Resources Development Fund rules and *GUIDELINES* will be held at the Holiday Inn in Kearney, Nebraska, on December 19, 2006. The meeting will convene at 9:00 a.m. and is expected to end at approximately 3:00 p.m.

The next regular meeting will be held on January 24, 2007, at the Embassy Suites hotel in Lincoln. A Program Committee meeting will also be held prior to the full Commission meeting. Meeting locations and times will be listed on the meeting agenda and in the public notice.

Staff was asked to plan an orientation / awareness session about programs that the Commission directs in conjunction with the Program Committee meeting in March 2007.

Myron Lembke added a reminder that the July 2007 meeting will be in the Scottsbluff-Gering area.

ADJOURNMENT

The meeting was adjourned at approximately 1:55 p.m.

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Natural Resources Commission Chair

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Acting Director of Natural Resources