

MINUTES OF THE NEBRASKA NATURAL RESOURCES COMMISSION MEETING

May 25, 2006
Lower Platte South NRD
Lincoln, Nebraska

Those in attendance were:

Garry Anderson, Chair	Rick Wozniak
Jim Van Marter, Member	Bob Hilske
Wayne Madsen, Member	Mike Onnen
Roger Korell, Member	Paul Zillig
Myron Lembke, Member	Dorothy Hillen
Wayne Davis, Member	Gene Heitz
Richard Hadenfeldt, Member	Shawn Heitz
Vince Kramper, Member	Dave Korte
Beverly Donaldson, Member	Beverly Franzen
Arlond Garratt, Member	Sharon Kumpf
Keith Rexroth, Member	Rex Gittins, Staff
Joe Hergott, Member	Jim Cook, Staff
Richard Jiskra, Member	Steve Gaul, Staff
John Burkholder, Member	Jill Richters, Staff
Clinton Johannes, Member	Jeremy Gehle, Staff
Dan Watermeier, Member	Kris Reed, Staff
Richard Vaughn	Ann Diers, Staff
Dave Clabaugh	Tom Pesek, Staff
Ken Berney	

CALL TO ORDER

The meeting was called to order by Commission Chair Garry Anderson in the conference room of the Lower Platte South NRD office in Lincoln, Nebraska, at approximately 9:35 a.m.

NOTICE OF THE MEETING

Notice of the meeting was published in the LINCOLN JOURNAL & STAR on May 17, 2006, notifying the public of the meeting.

INFORMATIONAL MATERIAL

The following items of informational material were distributed during the course of the meeting and a copy of each is attached to the file copy of the minutes:

1. Natural Resources Conservation Service Report
2. Nebraska Resources Development Fund Status Report
3. Nebraska Resources Development Fund Quarterly Report
4. Policy Statement XIII – Operations
5. Letter from Dorothy Hillen of Leigh regarding the Leigh Dam Project
6. Status of Small Watersheds Flood Control Fund
7. Soil & Water Conservation Fund – Expenditures by Month, 1998-2006
8. Soil & Water Conservation Fund Distribution 2006-07 Table

9. South Platte NRD Water Meter Program Status Report
10. Natural Resources Water Quality Fund Status
11. Water Well Decommissioning Fund Status
12. Republican Basin EQIP & Platte – Republican CREP Report
13. DNR Fund Expenditures for March & April 2006

MINUTES

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Motion was made by Kramper and seconded by Van Marter to approve the minutes of the April 6, 2006, Commission meeting as distributed. Motion carried.

Aye: Madsen, Kramper, Lembke, Rexroth, Garratt, Johannes, Hadenfeldt, Van Marter, Burkholder, Hergott, Davis, Jiskra, Watermeier, Donaldson, Korell, Anderson

Nay: None

Not Present: None

EXPENDITURES

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Tom Pesek noted that the expenditures report for the various funds for the months of March and April 2006 had been mailed to Commission members.

ADVISOR'S COMMENTS

Richard Vaughn of the NRCS State Office distributed a report to the Commission members and commented on the status of contract approvals in Environmental Quality Incentives Program (EQIP), the Wildlife Habitat Incentive Program (WHIP), and the Wetland Reserve Program (WRP). He noted that over the past two years, 1,168 contracts within the Blue River Basin have been approved at about \$6,377,200 in annual payments to producers. The NRCS State Office received \$5,100,000 in FY 06 for the Lower Missouri Wetland Reserve Enhancement Program. He also commented on steps NRCS is taking to improve its environmental impacts review process.

ACTING DIRECTOR'S REPORT

None given as Ann Bleed was out of the state.

ENVIRONMENTAL TRUST

Vince Kramper briefly reported on Environmental Trust activities and noted the next meeting of the board will be held on July 27-28, 2006, in Ogallala.

PLATTE AND REPUBLICAN RIVER ACTIVITIES

Jim Cook reported that the EIS for the Platte River Cooperative Agreement has been completed. It is over 1,500 pages with a 92-page summary. He noted that Nebraska will have no additional up-front costs; however, the depletion plan dates back to July 1, 1997, and Nebraska will have to bear the costs to offset the depletions resulting from that development. The depletions are currently being determined. The Environmental Account in Lake McConaughy and the Cottonwood Ranch will be credited to Nebraska. Public meetings on the proposed programs will be scheduled and the Governor's Advisory Council will meet after the public meetings and make a recommendation to the Governor. Roger Korell asked if Wyoming is still planning to enlarge Pathfinder Dam. Cook responded they are and the improvement would add 54,000 AF of storage which would compensate for the sedimentation that has occurred since the dam was constructed. Wyoming will pay for that work.

Ann Diers reported that the State of Nebraska purchased the allotted water from the Bostwick, Frenchman Valley, and Riverside Irrigation Districts in 2006 and that DNR is working with NRCS and Republican River Basin NRDs to fund a program available for the permanent retirement of water rights for irrigation in the Republican River Basin. She noted that the Lower Republican NRD and the Middle Republican NRD are working on revisions to their interrelated water management plans.

WATER POLICY TASK FORCE

Clint Johannes said there had been discussion on LB 1228 and advice had been given to Dean Edson. The task force will meet on May 31 in North Platte and will be looking at the rules used to determine when a basin is fully appropriated.

PROGRAM COMMITTEE

Clint Johannes reported that Tom Pesek had reviewed the Nebraska Resources Development Fund Status Report. He stated that John Bender of the Department of Environmental Quality and Bob Hilske of the Nemaha NRD had commented on the proposed Policy Statement XIII and there was some discussion regarding its economic impacts. Motion was made by Johannes and seconded by Jiskra that the Commission table action on Policy Statement XIII, "Water Quality Management Plan for Recreation Reservoirs".

Aye: Kramper, Lembke, Rexroth, Garratt, Johannes, Hadenfeldt, Van Marter, Burkholder, Hergott, Davis, Jiskra, Watermeier, Donaldson, Korell, Madison, Anderson

Nay: None

Not Present: None

Johannes reported the Lower Big Blue NRD had requested an increased cost-share rate on the Lower Turkey Creek Watershed Project. Motion was made by Johannes and seconded by Watermeier that the Commission raise the NRDF cost-share rate on the remaining total unobligated cost (\$3,755,000) of the Lower Turkey Creek Watershed Project from 60% to 70% increasing the total project allocation by \$375,500 from \$3,565,200 to \$3,940,700 effective July 1, 2006.

Aye: Lembke, Rexroth, Garratt, Johannes, Hadenfeldt, Van Marter, Burkholder, Hergott, Davis, Watermeier, Donaldson, Korell, Madsen, Kramper, Anderson

Nay: None

Abstain: Jiskra

Not Present: None

Johannes reported the Lower Platte South NRD had requested an increased allocation for the Stevens Creek Watershed Project. Motion was made by Johannes and seconded by Watermeier that the Commission increase the NRDF allocation for the Stevens Creek Watershed by \$209,000 from \$2,368,396.25 to \$2,577,396.25 for the following components: Component No. 4 – Engineering Services/ Construction Observation (\$45,000) and Component No. 5 – Construction (\$164,000).

Aye: Rexroth, Garratt, Johannes, Hadenfeldt, Van Marter, Burkholder, Hergott, Davis, Jiskra, Watermeier, Donaldson, Korell, Madsen, Kramper, Lembke, Anderson

Nay: None

Not Present: None

Johannes reported the Little Blue NRD had requested an increased allocation for the Little Sandy Creek Watershed Project. Motion was made by Johannes and seconded by Watermeier that the Commission raise the NRDF allocation for the little Sandy Creek Watershed Project by \$142,314 for Component No. 4b – Construction and Inspection Site 40 and accept the return of \$126,980 from Component No. 3b – Land and Easements Site 40, increasing the total project allocation by \$15,334 from \$2,316,242.35 to \$2,331,576.35.

Aye: Garratt, Johannes, Hadenfeldt, Van Marter, Burkholder, Davis, Jiskra, Watermeier, Donaldson, Korell, Madsen, Kramper, Lembke, Rexroth, Anderson

Nay: None

Abstain: Hergott

Not Present: None

Johannes also reported that the Lower Elkhorn NRD had requested an increased cost-share rate on the Leigh Dam Project. Dorothy Hillen of Leigh distributed a letter to the Commission members and spoke in opposition to the project. Dave Korte of Leigh also spoke in opposition to the project and noted that the Trans-Canada Oil Pipeline is proposed to pass through the

reservoir area. He said they are offering easements at 100-110% of the land's value and 3 to 4 years of damages. Following discussion, motion was made by Johannes and seconded by Kramper that the Commission deny the Lower Elkhorn NRD's request that the cost-share rate on the Leigh Dam Project be increased from 55% to 65%.

Aye: Johannes, Hadenfeldt, Van Marter, Burkholder, Davis, Jiskra, Watermeier, Donaldson, Korell, Madsen, Kramper

Nay: Hergott, Lembke, Rexroth, Garratt

Abstain: Anderson

Not Present: None

Johannes noted that the Lower Elkhorn NRD's requests (1) to rescind the clause in the Commission's approval action on the Leigh Dam Project regarding cost increases associated with land rights acquisition, and (2) for an increased allocation on the Leigh Dam Project would be postponed to the July Commission meeting pending review of the land rights appraisals and the economic feasibility review of the project.

Johannes explained that the Commission members had been briefed by the sponsors of four projects requesting Nebraska Resources Development Fund funds for FY 2007 and Commission action would be necessary. He noted that no funds could be obligated to the Leigh Dam Project until the economic feasibility review of the project had been completed. Motion was made by Johannes and seconded by Van Marter that the Commission establish the following components and obligate FY 2007 funds as follows:

Project	#	Project Component	Request for FY 2007
<i>Upper Prairie/Silver/Moores Creek</i>	9	Construction of SCLL5 (Remainder - 70%)	\$970,929.12
	10	Construction of SCLL4 (Partial - 50%)	770,693.43
Subtotal:			\$ 1,741,622.55
<i>Stevens Creek Watershed</i>	4	Construction Observation (Increased Allocation)	\$45,000.00
	5	Construction (Increased Allocation)	164,000.00
Subtotal:			\$ 209,000.00
<i>Little Sandy Creek Watershed</i>	2c	Engineering Sites, 12 & 73	\$15,470.00
	3b	Lands & Easements, Site 40 (Return of Funds)	- 126,980.00
	3c	Lands & Easements, Site 12 & 73	62,860.00
	4b	Construction & Inspection, Site 40 (Increased Allocation of \$142,314.00)	449,593.00
Subtotal:			\$ 400,943.00
TOTAL:			\$ 2,351,565.55

Aye: Hadenfeldt, Van Marter, Burkholder, Hergott, Davis, Jiskra, Watermeier, Donaldson, Korell, Madsen, Kramper, Lembke, Rexroth, Garratt, Johannes, Anderson
Nay: None
Not Present: None

Johannes reported that the Program

Committee had added the allocation of FY 2007 funds for the Soil and Water Conservation Fund as an emergency item.

Following discussion motion was made

by Rexroth and seconded by Kramper to recommend that the Commission approve the following distribution formula for the Nebraska Soil and Water Conservation Program funds for FY 2007: One million dollars distributed equally among the 23 NRDs and the distribution of any additional available funds based on the NRI formula previously adopted by the Commission.

Aye: Van Marter, Burkholder, Hergott, Davis, Jiskra, Watermeier, Donaldson, Korell, Madsen, Kramper, Lembke, Rexroth, Garratt, Johannes, Hadenfeldt, Anderson

Nay: None

Not Present: None

Tom Pesek reported that there were no changes regarding the status of the Small Watersheds Flood Control Fund other than additional interest earned. He noted that the appraisals at Site 40 of the Little Sandy Creek Watershed Project should soon be received.

Jill Richters provided Commission members with status reports on the Soil and Water Conservation Fund, Natural Resources Water Quality Fund, and the Water Well Decommissioning Fund. She noted that LB 508 directs that subsequent Water Well Decommissioning Fund allocations for any NRD which has had a cost-share program for three or more consecutive years shall be based upon the previous three-year average. Jeremy Gehle briefly reviewed the status of the Republican Basin EQIP and Platte-Republican CREP programs.

INTERRELATED WATER MANAGEMENT PLAN

Jim Cook briefed the Commission on Section 20 of LB1226; that section created a new Interrelated Water Management Plan Program. \$2.5M was appropriated for that program in FY06-07. The funds are to be made available as grants to NRDs to assist with the costs incurred in implementing the Ground Water Management and Protection Act. The statute requires the Commission to develop guidelines and limitations for the grant requests. Chairman Anderson noted that Dean Edson had prepared a first draft of those guidelines and limitations and those were distributed at the meeting. It was agreed that DNR staff, representatives of the Commission and NARD representatives should work together to prepare proposed guidelines for possible Commission action at the July meeting.

NEXT MEETING

It was noted that the July 12-13, 2006, meeting would be held in Ogallala. A tour will be conducted on Wednesday, July 12, and the Commission meeting will be held Thursday morning. A Program Committee meeting will be held Wednesday evening.

Richard Jiskra referred to a letter the Commission members had received from John Turnbull regarding recreation benefits and recreation day values and asked that this be placed on the meeting agenda. It was suggested that the value of stream flow augmentation also be discussed. Keith Rexroth requested that NRDF cost-share rates be placed on the agenda as a discussion item and Jim Van Marter requested that the rehabilitation of projects also be included as a discussion item.

ADJOURNMENT

The meeting was adjourned at approximately 10:45 a.m.

Chair

Acting Director of Natural Resources