

**MINUTES OF THE
NEBRASKA NATURAL RESOURCES COMMISSION
MEETING**

JANUARY 24, 2007
Embassy Suites – Lincoln, Nebraska

Those in attendance were:

Garry Anderson, Chair	Michael J. Murren, LPNNRD
Wayne Madsen, Vice Chair	John Miyoshi, LPNNRD
Jim Van Marter, Member	Milt Moravek, CPNRD
John Burkholder, Member	Glenn Johnson, LPSNRD
Richard Hadenfeldt, Member	Paul Zillig, LPSNRD
Larry Moore, Member	Steve Chick, NRCS
Wayne Davis, Member	Mike Nuss, UBBNRD
Roger Korell, Member	Sean Sutherland, SPNRD
Clinton Johannes, Member	Scott Sobotka, LBBNRD
Joseph Hergott, Member	Lalit Jha, JEO Consulting
Keith Rexroth, Member	
Dan Watermeier, Member	Ann Bleed, Staff
Dave Clabaugh, LBBNRD	Brian Dunnigan
Tom Mountford, LPNNRD	Jim Cook, Staff
	Rex Gittins, Staff
Steve Chick, NRCS	Kent Zimmerman, Staff
Anna Baum, ULNRD	Jill Richters, Staff
Angie Jensen, ULNRD	Ron Theis, Staff
Ken Berney, LENRD	Cheryl Byler, Staff

CALL TO ORDER

The meeting was called to order by Commission Chair Garry Anderson in Chancellors 1 & 2 conference rooms at the Embassy Suites in Lincoln, Nebraska, at 1:30 p.m. Larry Moore was introduced as a new member (and also former member). Garry Anderson also congratulated Ann on her recent appointment as Director of Natural Resources.

NOTICE OF THE MEETING

Notice of the meeting was published in the LINCOLN JOURNAL & STAR on January 17, 2007.

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 November -December 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. Small Watersheds Flood Control Fund Status Report
8. Soil & Water Conservation Fund Status Report
9. Natural Resources Water Quality Fund Status
10. Water Well Decommissioning Fund Status
11. Integrated Water Management Planning Program Fund Status
12. Proposed Integrated Water Management Planning Program Fund Guidelines for Fiscal Year 2007-200

MINUTES

Motion was made by Madsen and seconded by Van Marter to approve the minutes of the November 16, 2006, Commission meeting and the December 19, 2006, Special meeting as distributed. Motion carried.

Aye: Burkholder, Hergott, Johannes, Hadenfeldt, Van Marter, Korell, Madsen, Moore, Anderson

Nay: None

Not Present: Kramper, Donaldson, Lembke

EXPENDITURES

The expenditures report for the various funds for the months of November and December 2006 had been distributed to Commission members. Extra copies were available.

ADVISOR'S COMMENTS

Steve Chick, NRCS State Conservationist, distributed a report and briefed the Commission on programs and achievements. Comments are summarized below and more detail was available in the report:

- Budget Update – NRCS is still operating under a continuing resolution (CR) until February 15 which includes about \$2.5 million less for Nebraska than from last year.
- Central Basin CREP - Sign-up started on January 22 for this program which is a rejuvenation of the old project. Emphasis is on buffer strips and riparian strips and some of the incentives have been increased to encourage participation.
- EQIP – Sign up for the 2007 EQIP program which includes a number of special initiatives will end on January 31. One of the initiatives, the Tri-Basin Conservation Corners Program, is a special initiative developed by the Tri-Basin NRD with a number of other partners for converting from irrigated pivot corners to wildlife habitat.
- Watershed Rehabilitation Program - Nebraska is a leader nationally in dollars received for watershed rehabilitation funding. Ten current projects are listed in the report.
- WRP Update – Management of WRP easements continues to be a priority, but acceptance rates have dropped significantly since a new easement valuation process was implemented.
- Office Business Analysis – NRCS in Nebraska has completed an analysis of workload by field office. This will likely result in closure of some small offices, but the primary aim is to improve efficiency and quality of services. Keith Rexroth commented that fewer offices make it more difficult for producers to get assistance.

DIRECTOR'S REPORT

Director Ann Bleed reported that drought conditions are expected to continue through the 2007 growing season. Global warming appears to be real based on data from the USGS and the National Oceanic & Atmospheric Administration (NOAA), and long-term projections reflect a

major decrease in stream flows. DNR is working closely with many NRDs to develop and implement Integrated Management Plans (IMPs). Work is in progress with Republican River Basin NRDs to revise IMP plans. The first Republican River Compact compliance report is due this summer, and Nebraska will be reporting that it exceeded allowed consumption during the period covered. John Burkholder asked about meeting on Thursday (with Republican River NRD) and what the time table plan is. Nebraska is to sign off with Kansas by the next compact meeting in August although it may not be in place.

Interrelated Water Management Plan Program Fund (IWMPPF) grant projects are getting underway and should generate a lot of exciting results. DNR has requested introduction of only two minor bills of a clean-up nature.

Bleed also introduced Brian Dunnigan as the agency's Deputy Director and noted that he is working diligently to improve work processes to make the department more efficient.

ENVIRONMENTAL TRUST

Bleed stated the Environmental Trust is gearing up for project reviews. Van Marter asked about two bills in the Legislature that would result in funding being taken away from the Environmental Trust. Bleed responded that the Governor is asking that Trust funds be used to help fund the water activities.

PLATTE AND REPUBLICAN RIVER ACTIVITIES

Bleed reported that another round of public meetings with the Republican NRDs has been initiated. The intent is to keep the public informed and provide an opportunity for input and that the state's goal is to try to stay in compliance.

WATER POLICY TASK FORCE

The next Water Policy Task Force meeting is scheduled for March 19 at the Cornhusker/Marriott. Bleed noted that the Task Force's focus is to detail out the specific funding needs for meeting requirements of LB962. These must be identified to justify the appropriation request. Clint Johannes added that funding requirements will be identified for both short- and long-term term plans.

LEGISLATIVE & BUDGET COMMITTEE

Keith Rexroth asked Ron Theis to report on legislation affecting the Commission. Theis handed out a summary of legislative bills, and he and other staff responded to questions.

Keith then asked Rex Gittins to comment on the budget. Gittins reported that the agency's budget request is consistent with the previous biennium budget, except that funding for buyout of Republican Basin irrigation districts' water resources was not requested. Bleed noted that the Water Resources Cash Fund which would be established by LB 322 would be a new responsibility for the agency and might involve some oversight by the Commission.

PROGRAM COMMITTEE

Clint Johannes reported that in the Program Committee which met at 11:00 a.m. status reports for all programs had been reviewed and discussed. He then reported on the following committee recommendations.

Nebraska Resources Development Fund (NRDF)

The Walnut Creek Lake and Recreation Area (Papio Dam Site 21) will be turned over to the City of Papillion later this year. The city has requested approval for a 2.56 acre portion in a low-use area of the project to be used for construction of a new fire station. Jim Cook described the Commission’s options, noting that a fire station would not be consistent with the original intended purpose of the project.

Motion was made by Johannes and seconded by Watermeier that the City of Papillion be authorized to construct a fire station on a 2.56 acre portion, as described on the attached, of a land parcel purchased with assistance from the Resources Development Fund for the Walnut Creek Site 21 project, provided that such authorization is on the condition that the City first reimburse the Resources Development Fund in the amount of \$6,912.00, the portion of the original land parcel’s purchase price that was provided from the Fund for that 2.56 acre portion. Motion carried.

Aye: Hergott, Burkholder, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Rexroth, Davis, Watermeier, Anderson

Nay: None

Not Present: Kramper, Donaldson, Lembke

The sponsor, Central Platte NRD, requested approval to combine the ten components previously approved into four. This change would more accurately reflect development sequence and facilitate the reimbursement request process.

Motion was made by Johannes and seconded by Korell to allow the ten previously approved components for the Upper Prairie/Silver/Moores Creek Project to be combined into four as follows: 1) Feasibility Study in the amount of \$138,862.50; 2) Land Acquisition in the amount of \$364,273.87; and 4) Construction of all of cells No. 5, 7 and part of cell No. 4 in the amount of \$2,157,735.00. Motion carried.

Aye: Hergott, Burkholder, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Rexroth, Davis, Watermeier, Anderson

Nay: None

Not Present: Kramper, Donaldson, Lembke

Anderson reported on the initial meeting of a subcommittee formed to identify and recommend approaches for dealing with the situation where NRDF project applications exceed the Commission’s authority to allocate funds under the cap. A survey was conducted to rank evaluation priorities of Commission members, NRD managers, irrigation district managers, and NRDF advisors, and preliminary results have been reviewed. Additional work is needed before recommendations can be made. The subcommittee will meet with DNR staff in February for further discussion and review.

Soil & Water Conservation Fund (SWCF)

The current SWCF rules do not allow for cost-share on conservation practices where federal support is being provided. Federal cost share is limited to fifty percent of the total cost, and landowners have often been unwilling to use the program. Ken Bernie from the Lower Elkhorn NRD stated that landowners would be more likely to use the federal program if SWCF cost-share on the landowner portion was available, and requested that the SWCF rules be amended accordingly. Jim Cook distributed and commented on a draft amendment which identified a SWCF cost-share of fifty percent of the landowner portion of costs. He noted that the Commission could modify the cost share and noted that a public hearing would be required.

Motion was made by Johannes and seconded by Madsen to accept the draft amendment to the Soil and Watershed Conservation Fund rules to allow cost-share on landowner share of federally-supported practices and to set up a hearing on proposed changes. Motion carried.

Aye: Hergott, Burkholder, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Rexroth, Davis, Watermeier, Anderson

Nay: None

Not Present: Kramper, Donaldson, Lembke

Brush Control is included as an approved practice for SWCF cost-share, but is presently limited to mechanical control. Prior to the meeting, Myron Lembke had asked that the issue of adding chemical as well as mechanical control be raised. Wayne Madsen stated support and further explained the need.

Motion was made by Wayne Davis and seconded by Hergott that the Soil and Water Conservation Fund Brush Control practice include both chemical and mechanical controls. Motion carried.

Aye: Hergott, Burkholder, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Rexroth, Davis, Watermeier, Anderson

Nay: None

Not Present: Kramper, Donaldson, Lembke

ELECTION OF OFFICERS

Garry Anderson declared that the floor was open for nominations for Commission Chair for the coming year. Wayne Madsen was nominated by Davis and seconded by Van Marter.

Motion was made by Johannes and seconded by Rexroth to close nominations and cast a unanimous ballot for Wayne Madsen for Commission Chair. Motion carried.

Aye: Hergott, Burkholder, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Rexroth, Davis, Watermeier, Anderson

Nay: None

Not Present: Kramper, Donaldson, Lembke

Garry Anderson asked for nominations for the position of Commission Vice-Chair for the coming year. Clint Johannes was nominated by Davis and seconded by Korell.

Motion was made by Hadenfeldt and seconded by Van Marter to close nominations and cast a unanimous ballot for Clint Johannes for Commission Vice-Chair. Motion carried.

Aye: Hergott, Burkholder, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Rexroth, Davis, Watermeier, Anderson

Nay: None

Not Present: Kramper, Donaldson, Lembke

COMMITTEE ASSIGNMENTS

Preference sheets were distributed to members and returned to Chairman Wayne Madsen. Madsen announced that he will make committee assignments and provide to staff for distribution.

FUTURE MEETINGS

Gittins noted that Lembke had requested that the proposed meeting dates for the July meeting in Scottsbluff be changed to July 10 - 11. It was also pointed out that the January 2008 date

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should be January 23, 2008 to coincide with the NARD legislative conference dates. The revised dates were defined as follows:

March 21-22	September 25, Kearney (NARD Annual Conf. 9/23-25)
May 23-24	November 14-15
July 10-11 (at NPNRD)	January 23, 2008 (NARD Legislative Conf. 1/21-23)

Motion was made by Hadenfeldt and seconded by Korell to approve the revised dates. Motion carried.

Aye: Hergott, Burkholder, Johannes, Madsen, Korell, Van Marter, Hadenfeldt, Rexroth, Davis, Watermeier, Anderson

Nay: None

Not Present: Kramper, Donaldson, Lembke

ANNOUNCEMENTS, FUTURE MEETINGS, AGENDA ITEMS

Commission members commended and thanked Garry Anderson for his leadership to the NRC during the past year.

Anderson noted that Myron Lembke was not able to attend the meeting due to having surgery.

The caucus to fill Arlond Garratt’s unexpired term for the Middle Platte River Basin will be held on January 25th in Grand Island.

Bleed announced that this was Jim Cook’s last NRC meeting in an official capacity as he will be retiring on March 1st. Commission members extended best wishes and thanked Jim for many years of dedicated service. Bleed noted that a recognition gathering was being planned. The retirement reception has been scheduled for February 27 from 9:00 – 10:30 a.m. in the Nebraska State Office Building, Lower Level Conference Room F.

ADJOURNMENT

The meeting was adjourned at approximately 2:35 p.m.

Natural Resources Commission Chair

Director of Natural Resources