

MINUTES OF THE NEBRASKA NATURAL RESOURCES COMMISSION MEETING

July 11, 2007

North Platte NRD – Scottsbluff, Nebraska

Those in attendance were:

Wayne Madsen, Chair	Dallas Johannes, NRCS
Clinton Johannes, Vice Chair	Lorrie Benson, UN-L Water Center
Jim Van Marter, Member	John Miyoshi, LPNNRD
John Burkholder, Member	Mike Murren, LPNNRD
Richard Hadenfeldt, Member	Ken Berney, LENRD
Larry Moore, Member	Stan Staab, LENRD
Roger Korell, Member	Ron Cacek, NPNRD
Ladd Reeves, Member	David Christian, NPNRD
Garry Anderson, Member	Marlin Petermann, P-MRNRD
Joseph Hergott, Member	John Berge
Keith Rexroth, Member	Jill Richters, Staff
Dan Watermeier, Member	Rex Gittins, Staff
Vincent Kramper, Member	Ron Theis, Staff
Myron Lembke, Member	Kent Zimmerman, Staff
Beverly Donaldson, Member	Jennifer Schellpeper, Staff
David Kadlecek, Member	Kris Reed, Staff

CALL TO ORDER

The meeting was called to order by Commission Chair Wayne Madsen in the North Platte Natural Resources District's conference room in Scottsbluff, Nebraska, at 9:10 a.m.

NOTICE OF THE MEETING

Notice of the meeting was published in the SCOTTSBLUFF STARR HERALD on July 1, 2007, and in the LINCOLN JOURNAL STAR on July 2, 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 May - June 2007
3. Republican River Conservation Practices Impacts Publication & NRCS Report
4. UNL Water Center Packet

5. Department of Natural Resources Director's Report
6. Legislative and Budget:
 - Legislature Natural Resources Committee - Interim Hearing Schedule
 - Nebraska Association of Resources Districts Projected NRDF Requests
7. Annual Report – Nebraska State Water Planning and Review Process
8. Nebraska Resources Development Fund (NRDF):
 - Status Report(s)
 - Proposed Amendments to NRDF Rules
 - Project Application Evaluation:
 - Project Rankings Example for Currently Approved Projects
 - Project Application Ranking Worksheet
 - Economic Feasibility Analysis Background Paper
 - Proposed Obligations to Approved Projects for FY2008 - Exhibits B-1 & B-2
 - July 10, 2007, Letter from Keith Tillotson, U.S. Army Corps of Engineers regarding the Leigh Dam Project
 - Editorial Regarding Leigh Dam – *Norfolk Daily News*
 - Sponsors' Responses to Commission Questions on Project Applications:
 - Lower Platte North NRD letter dated June 25, 2007
 - Pappio-Missouri River NRD letter dated June 29, 2007
9. Small Watersheds Flood Control Fund Status Report
10. Soil & Water Conservation Fund Status Report & FY 2008 Fund Distribution
11. Natural Resources Water Quality Fund Status
12. Water Well Decommissioning Fund Status
13. Interrelated Water Management Plan Program Fund (IWMPPF) Status Report

MINUTES

Motion was made by Kramper and seconded by Van Marter to approve the minutes of the May 23, 2007, Special Commission meeting and the May 24, 2007, Commission meeting as distributed. Motion carried.

Aye: Hadenfeldt, Donaldson, Korell, Lembke, Hergott, Moore, Kramper, Watermeier, Burkholder, Anderson, Johannes, Rexroth, Madsen, Van Marter, Reeves, Kadlecek

Nay: None

EXPENDITURES REPORT

The expenditures report for the various funds for the months of May and June 2007 had been distributed to Commission members. Extra copies were available. Gittins mentioned that the report includes all of the income and expenses for period.

ADVISOR'S COMMENTS

NRCS

Dallas Johannsen, District Conservationist, NRCS, distributed a report and briefed the Commission on programs and achievements. Comments are summarized below and more detail was available in the report which is attached to the file copy of the minutes:

- **EQIP Program** –1,462 General contracts have been awarded for \$21,296,969 of which 33 special initiative contracts were implemented to let Panhandle range land rest after the wildfires. There are 245 Ground and Surface Water Conservation Program contracts to improve irrigation efficiency. The total program funds over 1,700 contracts with over \$26,000,000.

- **Working Lands Conservation Program** – Nebraska’s CRP is very cost effective at maintaining 1.1 million acres of fragile land in Nebraska. Johannsen said NRCS does not want to see this program go away nor have benefits reduced.
- **Office Closure Plan Submitted** – NRCS has submitted a final plan to close four offices in Nebraska, including Benkelman, Chappell, Harrisburg and Loup City. The plan has not been approved in Washington, D.C. yet.
- **Duck Creek’s Archaeology Public Viewing** – The Nemaha NRD and NRCS have been working in cooperation to build a flood control/recreation project on Buck and Duck Creeks near Peru. Some unique cultural resources have been discovered at the Duck Creek site.
- **Banner County No-Till Field Day** – More than 60 people attended a recent No-Till Field Day in Banner County. Witnesses reported an obvious difference between the moisture levels in the no-till and conventional soil pits.
- **Nebraska’s RC&D’s Achieve “Circle of Diamonds” Status** – Nebraska is the only state to have all of its RC&D Councils in this “*crème of the crop*” status. Nationally there are 375 RC&D Councils.

Johannsen also distributed a publication titled “*Impacts of Conservation Practices in the Republican River Basin*” to highlight positive aspects of No-till conservation practices. There has been some recent negative publicity regarding the effects on watershed run-off and the surface water supply.

UNL Water Center

Lorrie Benson, Deputy Program Manager, Water Resources Research Initiative, briefed the Commission on the Water Center, upcoming events like the Water Colloquium on October 12, 2007, and the Water Law and Policy Conference April 27 & 28, 2008. Benson also reported on the following research projects:

- **Nebraska Agriculture Water Management Demonstration Network** – A partnership between the Upper Big Blue NRD and the University whereby 130 producers use evapo-transpiration gages and Watermark sensors to manage water use. Larry Moore commented that his farming operation is one of the partners and he is very pleased with the results and has changed the timing of irrigation deliveries.
- **Monitoring, Mapping, and Risk Assessment of Non-indigenous Invasive Species in Nebraska** – This project is funded by the Environmental Trust and the Game and Parks Commission to monitor and map invasive species in Nebraska. The group’s goal is to do a portal web site to share the information. There will be a conference on invasive species on February 7 and 8, 2008, and the Water Center may add another half day on management of invasive species.
- **Heartland Regional Water Coordination Initiative** – This is a water quality project and is in cooperation with Iowa State, Kansas State, and the University of Missouri. This group has a new survey out titled “*Water Issues in Nebraska: A Survey of Public Perceptions and Attitudes about Water*”. This survey reviews where people get information about water. This is important because communication is the key to management. The group’s priority management areas include animal manure, nutrient and pesticide, and community involvement.

DIRECTOR’S REPORT

Director Ann Bleed was unable to attend the Commission meeting and submitted a written report. Topics addressed in her report included: the purchase of the right to use this year’s supply of water in the Republican River Basin from the U.S. Bureau of Reclamation, and several irrigation districts in the basin; Frenchman Creek flooding on June 11, 2007, the Department’s Order to drain

Champion Lake; and the North Platte River Drought. A copy of the report is attached to the file copy of the minutes.

ENVIRONMENTAL TRUST

Kramper reported that the Environmental Trust has not had a meeting since the last Commission meeting, and that their next meeting will be held in Scottsbluff on July 19th and 20th, 2007. Kramper also noted that this is the 14th year of the Environmental Trust, and that the awarding of mini-grants at the next meeting will likely be the last due to low interest and based on the lack of applications being received at the Trust.

PLATTE AND REPUBLICAN RIVER ACTIVITIES

Jennifer Schellepeper, DNR staff, gave a three part presentation on the North Platte Decree as follows:

Background information on the original North Platte Basin Decree

- Reclamation Act of 1902 – Congress authorized the Bureau of Reclamation to go into the “West” and build Reservoirs and canal systems for irrigation.
- North Platte Valley Project was one of the first Pick-Sloan projects authorized in 1903.
- Pathfinder Reservoir was completed in 1909 and holds over 1 million acre-feet of water, most of which comes in the spring as snow melt in the mountains.
- Pathfinder and Seminoe reservoirs hold 2.3 million acre-feet which is 175% of that systems average runoff.
- All together there is over 4.8 million acre-feet of storage on the mainstem North Platte River.
- Original suit filed in 1934 when Nebraska sued Wyoming for not recognizing Nebraska’s senior water users and shutting off junior users in Wyoming.
- Decree approved in 1945 segregates natural flow and storage water since the reclamation act created the storage water. The court only addressed natural flow and the decree only applies to natural flow.
- Natural Flow below Whalen Dam is apportioned 75% to Nebraska and 25% to Wyoming.
- Lands east of Bridgeport cannot “call” for water.
- Decree modified in 1953 to include Glendo Reservoir.
- Nebraska petitioned to reopen the proceedings in 1986.

Evolution of the 2001 Modified Decree since 1986

- Court Opinions in 1993 & 1995 issued a 1904 water right to the Inland Lakes in Nebraska; the Laramie River could not be dewatered; opened the door to wildlife issues; hydrologically connected ground water and the effects of the Bureau of Reclamation’s storage operations.
- Wyoming was denied Beneficial Use limitations;
- Defined most of Nebraska’s claims as modification issues; therefore Nebraska would have to prove injury.
- *Modification vs. Enforcement* issues led both sides to settlement.
- Created the North Platte Decree Committee (NPDC) with representatives from Colorado, Wyoming, Nebraska & the Bureau of Reclamation. – The committee developed new administrative procedures and data bank – created a situation whereby the parties have to work together.

Current status of the Implementation of the Modified Decree

- Colorado is limited to 145,000 irrigated acres, 17,000 acre-feet of storage and 60,000 acre-feet exported via trans-basin diversions.
- Wyoming is limited on number of irrigated acres, and on the amount of consumptive use required to adjudicate their ground water permits and follow allocation year procedures. The critical reach had to adjudicate surface and ground water use, monitor well pumping, and replace consumptive use water back to the river.
- The 28/40 rule describes a well that will reduce the amount of water reaching the river by 28% or more within 40 years.
- Consumptive Use Subcommittee has installed agriculture weather stations in cooperation with the High Plains Regional Climate Center for improved data.
- Sent out a 17-page survey and received a 66% response rate for an irrigation inventory. This will be conducted every five years to determine what efficiency changes are being made that will affect consumptive use.
- NPDC has sent out and received proposals and is currently reviewing whether to proceed with a Water Balance Study to further refine consumptive use of the crop.
- All of this data will then be used to do a methodology review to determine if the consumptive use cap limitation can be improved and whether the cap limitation should be adjusted.
- The Replacement Water Subcommittee will look at replacement water requirements in the triangle area for both surface and ground water uses to look at accuracy of the model and determine if improvements to the model can be made. This will help to determine what is being used and what is depleting the river.

WATER POLICY TASK FORCE

Johannes reported that the Water Policy Task Force had not met since the Commission's last meeting. The group is scheduled to meet on July 30th in North Platte. Since LB 701 passed, this has limited the need to address funding issues; however there is at least one bill for review by the Task Force. Theis added that the Legislative Subcommittee of the Task Force is working on about a dozen concept papers.

LEGISLATIVE & BUDGET COMMITTEE

Keith Rexroth reviewed two funding items which were discussed during the Legislative and Budget Subcommittee meeting that took place earlier the same day. The first was funding needs in regard to the Natural Resources Development Fund. The second was funding for the Small Watershed Flood Control Fund. It was noted that the Commission members had also noted a need for more money in the Water Conservation Fund to better support the NRD efforts of various soil and water conservation practices. Gittins stated that the fund now receives \$2,688,000.00 per year from the General Fund. He added the Small Watershed Flood Control Fund has not received General Fund appropriations in recent years, but relies on the sale of property to fund continued activities.

Dean Edson, Nebraska Association of Resources Districts, commented that as a matter of timing, the Commission needs to focus on defining funding needs in early Fall. If an attempt is to be made to work this into the State budget, it must be done this Fall for incorporation into the Department's request and the Governor's budget proposal if possible. He warned that delaying will mean going back to the appropriations committee to request the money. Edson offered to work with staff to arrange a meeting with the Appropriations Committee to refine the

Commission's projected funding needs. Rexroth and Johannes requested that a preliminary deficit request be sent out prior to the next Commission meeting.

General discussion included the following.

- Theis commented that the Water Resources Cash Fund rules Hearing for use of the fund would be held in Lincoln on July 23, 2007.
- Anderson commented that the Commission should identify and present to the Legislature the exact amount of money the Commission needs to fund the authorized projects.
- In response to Commission members' questions, Gittins suggested that the Commission might request that staff and the NARD work together to define the funding commitments and expected future requests as a basis for discussing a possible deficit request.
- Kadlecek discussed the possibility of limiting the percentages of the funds available; that the funds be capped; or that the Commission authorize a lower percentage to project sponsors. Reeves suggested a sliding scale on the percentages, based upon the amount requested.

Motion was made by Johannes and seconded by Lembke to direct staff to work with the NARD to assess desired funding for each of the various funds administered by the Commission in preparation for a potential deficit funding request. Motion carried.

Aye: Lembke, Rexroth, Van Marter, Reeves, Burkholder, Kadlecek, Kramper, Hadenfeldt, Donaldson, Hergott, Moore, Watermeier, Anderson, Johannes, Madsen and Korell

Nay: None

Not Present: None

Madsen stated that he will work with Edson to find a time for a Legislative and Budget Committee meeting at the next Commission meeting.

COMPREHENSIVE PLANNING ANNUAL REPORT

Madsen stated that the report was mailed to each Commission member earlier and that comments were requested by July 31, 2007. Gittins stated that the Department is required by statute to submit this report to the Governor each year. Also, Steve Gaul requested that a Comprehensive Planning Committee meeting be scheduled in conjunction with the November meeting. The purposes include discussing planned activities in more detail and identifying any other activities that the Commission would like to see included in the plan for FY 2009 and the next Biennium.

PROGRAM COMMITTEE

Clint Johannes reported that the Program Committee met on July 10, 2007. He noted that status reports distributed to all Commission members were reviewed at the meeting and then led discussion on the following Program Committee recommendations for Commission action:

Nebraska Resources Development Fund (NRDF)

Motion was made by Johannes and seconded by Rexroth to adopt the revisions to Title 256, Chapter 2, Rule 007 and Chapter 4, Rule 001 as reviewed in the public hearing June 11, 2007.

There was no discussion. Motion carried.

Aye: Lembke, Rexroth, Van Marter, Reeves, Burkholder, Kadlecek, Kramper, Hadenfeldt, Donaldson, Hergott, Moore, Watermeier, Anderson, Johannes, Madsen and Korell

Nay: None

Not Present: None

Motion was made by Johannes and seconded by Korell to approve the change to the Nebraska Resources Development Fund Project Ranking and Scoring Worksheets to include criteria #11 on the project application worksheet to evaluate projects approved as of July 31, 2007, with zero allocation.

There was no discussion. Motion carried.

Aye: Donaldson, Hergott, Watermeier, Anderson, Johannes, Madsen, Lembke, Rexroth, Van Marter, Reeves, Burkholder, Kadlecek, Kramper, Hadenfeldt, and Korell
Nay: Moore
Not Present: None

Clint explained that the next item dealt with final obligation of FY 2008 NRDF funds. Staff prepared two recommendations, labeled Exhibit B-1 and Exhibit B-2, which were discussed by Commission members at the May meeting. The motion approved at that meeting was to tentatively obligate the FY2008 RDF funds as outlined on Exhibit B-1, but to obligate per Exhibit B-2 if the Leigh Dam project did not receive a U.S Army Corps of Engineers 404 permit by the July 2007 meeting. Stan Staab (Manager, LENRD), Ken Berney (Projects Manager, LENRD), and Mike Sotak (Olsson and Associates) each appeared at the Program Committee meeting on July 10 and requested an extension to the deadline for obtaining the U.S Army Corps of Engineers' 404 permit until the September meeting. Mr. Staab stated that LENRD would voluntarily surrender the Leigh Dam obligation for FY2008 if the permit is not obtained by that date.

Motion was made by Johannes and seconded by Hergott to obligate the FY2008 Nebraska Resources Development Funds as identified on Exhibit B-1 and to modify project components as necessary to accomplish this obligation.

There was no discussion. Motion carried.

Aye: Kramper, Hadenfeldt, Korell, Watermeier, Anderson, Johannes, Madsen, Lembke, Rexroth, Van Marter, Reeves, Burkholder, Donaldson, Hergott, and Kadlecek
Nay: Moore
Not Present: None

Motion was made by Watermeier and seconded by Anderson that the Natural Resources Commission having reviewed and considered the recommendation of the Department of Natural Resources, hereby make the following findings of fact:

- (1) The Lake Wanahoo Project will be of general public benefit;
- (2) The project plan does not conflict with any existing state land plan;
- (3) The project has been determined to be technically, economically, and financially feasible and environmentally acceptable according to the Resources Development Fund criteria;
- (4) The plan for development is satisfactory;
- (5) The plan minimizes any adverse impacts on the natural environment;
- (6) The Lower Platte North Natural Resources District is qualified, responsible, and legally capable of carrying out the project;
- (7) Other plans and programs of the state were taken into consideration in preparing the plan of development in accordance with section 84-135, and resources development plans of the political subdivisions of the state were considered;
- (8) The project will not jeopardize the continued existence of any threatened or endangered species or modify or destroy the habitat of any such species;

And therefore resolves that:

- (1) The Lake Wanahoo Project is eligible for funding from the Nebraska Resources Development Fund; actual funding being subject to the condition that the money required from the Fund is available and based on applying the assessment system for obligating funds;
- (2) The funding, if and when provided, should be in the form of a grant for up to \$9,204,000, not to exceed 60% of the eligible local share of project cost currently estimated by the sponsor to be \$15,340,000, including feasibility study costs of \$250,000;
- (3) The funding is contingent upon the securement of local cost-share funds and no NRDF funds can be obligated to the project until the local funding is secured; and
- (4) The Director of Natural Resources is authorized to negotiate and enter into a contract with the Lower Platte North NRD for carrying out the conditions for the utilization of NRDF funds for the project.

There was no discussion. Motion carried.

Aye: Rexroth, Van Marter, Reeves, Burkholder, Kadlecek, Kramper, Hadenfeldt, Korell, Donaldson, Hergott, Moore, Watermeier, Anderson, Madsen and Lembke
Nay: None
Abstain: Johannes
Not Present: None

Marlin Petermann, Assistant Manager, Papio NRD requested that the Pigeon/Jones Creek project be the next project to receive allocation from the NRDF, and that the Commission approve the project sponsor's request to proceed with project work recognizing such expenditures in advance of allocating funds be allowed for later cost-share. Petermann stated that the NRD intends to proceed with final design and obtain land rights.

Johannes reminded the Commission that it committed to both Lake Wanahoo and Pigeon/Jones Creek projects that:

- Both are excellent projects that would be assets to the State;
- Both would be considered at the same time;
- Neither would be subjected to the project ranking process prior to the Commission taking action on each project's application; and,
- Nothing precludes projects initially approved at zero allocation from requesting and receiving subsequent allocation increases.

Johannes added that the Commission had just changed rules and modified the project ranking process which will allow the sponsors of the Pigeon/Jones Creek project to be considered for an increase in allocation if and when money becomes available under the cap. Moore added that there is a spirit of competition between districts competing for funds and that the two districts should be complemented for being willing to work together for the greater good.

Motion was made by Johannes and seconded by Watermeier that the Natural Resources Commission having reviewed and considered the recommendation of the Department of Natural Resources, hereby makes the following findings of fact:

- (1) The Pigeon/Jones Creek Project will be of general public benefit;
- (2) The project plan does not conflict with any existing state land plan;
- (3) The project has been determined to be technically, economically, and financially feasible and environmentally acceptable according to the Resources Development Fund criteria;

- (4) The plan for development is satisfactory;
- (5) The plan minimizes any adverse impacts on the natural environment;
- (6) The Papio-Missouri River Natural Resources District is qualified, responsible, and legally capable of carrying out the project;
- (7) Other plans and programs of the state were taken into consideration in preparing the plan of development in accordance with section 84-135, and resources development plans of the political subdivisions of the state were considered; and,
- (8) The project will not jeopardize the continued existence of any threatened or endangered species or modify or destroy the habitat of any such species.

And therefore resolves that:

- (1) The Pigeon/Jones Creek Project is eligible for funding from the Nebraska Resources Development Fund; actual funding being subject to the condition that the money required from the Fund is available and based on applying the assessment system for obligating funds; and,
- (2) Due to the unavailability of funds that can be allocated by the Commission, this project is approved but with \$0 allocation. In accordance with the revised rules adopted today but subject to the Governor's approval, the sponsor may request that this project be reconsidered at any point during the next four years for an increased allocation.

There was no discussion. Motion carried.

Aye: Donaldson, Hergott, Moore, Kadlecek, Kramper, Hadenfeldt, Korell, Watermeier, Anderson, Johannes, Madsen, Lembke, Rexroth, Van Marter, Reeves and Burkholder

Nay: None

Not Present: None

Zimmerman reviewed three Small Watershed Flood Control Fund Status Reports. The first dated May 21, 2007, corrected a previous error in which the FY 2007 base was listed as \$700,000 while the Commission had set the base at \$800,000. The second report included Fiscal Year end Expenditures, and the third listed the proposed base of \$321,600 to cover the Lower Big Blue NRD's request for fee title purchase of a tract of land associated with Site 8 of the Lower Turkey Creek Watershed Project. The table summarizing the project sponsor's projected FY2008 funding requests was also reviewed.

Motion was made by Johannes and seconded by Kramper to establish the Revolving Fund Base for the Small Watersheds Flood Control Fund at \$321,600 for Fiscal Year 2008.

There was no discussion. Motion carried.

Aye: Kadlecek, Kramper, Hadenfeldt, Korell, Watermeier, Johannes, Madsen, Lembke, Rexroth, Van Marter, Reeves, Burkholder, Donaldson, Hergott and Moore

Nay: None

Not Present: Anderson (stepped out)

Richters reviewed the Status Report for the Water Quality Fund and the Water Well Decommissioning Cash Fund noting the respective balances reflected interest receipts for May and June. Richters pointed out that in August there will be a Water Quality Fund distribution to the NRDs and that the paper work for recertification was starting to come in.

Motion was made by Johannes and seconded by Donaldson to approve continued use of the following distribution formula for the Nebraska Soil and Water Conservation Program Funds for FY 2008: \$1,000,000 distributed equally among the 23 NRDs and the distribution of any additional available funds based on the NRI formula previously adopted by the Commission.

There was no discussion. Motion carried.

Aye: Korell, Watermeier, Johannes, Madsen, Rexroth, Van Marter, Reeves, Burkholder, Donaldson, Kadlecek, Kramper, Hadenfeldt, Hergott, Moore and Lembke

Nay: None

Abstain: Anderson

Not Present: None

Interrelated Water Management Plan Program Fund (IWMPPF)

The next agenda item was the Interrelated Water Management Plan Program Fund. Gittins explained why the original contracts were set up to provide 60% advanced draw and suggested that any contracts that were continued this year should be funded on a reimbursement basis. New contracts would remain eligible for the 60% advanced draw. Gittins also suggested moving from quarterly to semi-annual reporting to reduce administration, noting that it will capture major activity considering the seasonal nature of project work. It was further recommended that a report be required at the conclusion of the project.

Gittins mentioned that there were a number of cases where we did not receive status reports. Lack of status information made it difficult to determine if progress substantiated continued funding at the level requested. Based on the inability to fund two FY 2008 applications, adjustments might make funds available for other requests. As a result, staff requested that a small penalty be assessed if reports are not submitted as designated to assure staff has information required to make evaluations on a timely basis. The penalty would be applied in the form of a reduction to future reimbursements. Donaldson commented that if project sponsors did not report progress, the Commission should not continue funding. Gittins explained that FY 2007 grants were made too late for much if any work to begin before winter and, since that was the first year for the IWMPP Fund grants, suggested that it was likely more a case that they had just overlooked the requirement. However, Gittins noted that staff did not have time to continually remind numerous sponsors of their commitment to submit reports. Donaldson and Lembke both suggested holding all future reimbursements back if they had not turned in the required reports. Watermeier suggested that a penalty would probably be enough incentive.

Motion was made by Johannes and seconded by Donaldson to change the Guidelines for the IWMPP fund to: 1) Modify payment terms to exclude the 60% initial draw for projects previously funded; 2) Require the filing of status reports every six months, due within 30 days following the end of December and May, and date of grant completion; 3) Penalizing sponsors the lesser amount of \$5,000 or 5% of grant funds for projects receiving continued funding that have not met the filing deadlines for required status reports.

There was no discussion. Motion carried.

Aye: Korell, Watermeier, Anderson, Johannes, Madsen, Lembke, Rexroth, Van Marter, Reeves, Burkholder, Donaldson, Kadlecek, Kramper, Hadenfeldt, Hergott and Moore

Nay: None

Not Present: None

Motion was made by Johannes and seconded by Kramper to obligate the FY 2008 funds as identified in staff recommendations approved at the May meeting and authorize the Department to grant contracts based upon the revised guidelines.

There was no discussion. Motion carried.

Aye: Lembke, Madsen, Moore, Van Marter, Reeves, Burkholder, Donaldson, Kadlecek, Kramper, Korell, Watermeier, Anderson, Johannes, Hadenfeldt, Hergott and Rexroth

Nay: None

Not Present: None

ANNOUNCEMENTS, FUTURE MEETINGS, AGENDA ITEMS

David Kadlecek reported that a plaque bearing the Commission's resolution regarding Wayne Davis's contributions to the NRC was presented to Wayne's widow, Iris Davis, at the Upper Niobrara/Hat Creek/White River NRD's board meeting in May. Mrs. Davis was very appreciative of the plaque and it was well received.

A former Commission member, LeRoy Pieper from Mitchell, attended the Commission meeting and was recognized by Chairman Madsen.

Chairman Madsen thanked Ron Cacek, Manager, North Platte River NRD for hosting the IWMPPF and NRDF project tours and generously providing space for the meeting. Many had positive comments for the information gathered on each tour and the hospitality of the NRD staff. Thanks was also extended to Myron Lembke for inviting the Commission to Scottsbluff and his coordination efforts.

Chairman Madsen directed that Program and Legislative and Budget Committee meetings be planned in September prior to the full Commission meeting. He asked Gittins and Edson to coordinate appropriate times and locations. He also requested that staff not plan any tours in November because there will be three committee meetings - Program Committee, Legislative and Budget, and Comprehensive Planning Committee.

Scheduled Commission meetings are as follows:

September 25 in Kearney (NARD Annual Conference 9/23-25)

November 14-15

February 6, 2008 (NARD Legislative Conf. 2/4-6) – **NOTE DATE CHANGE**

ADJOURNMENT

The meeting was adjourned at approximately 11:30 a.m..

Natural Resources Commission Chair

Director of Natural Resources