

**MINUTES OF THE
NEBRASKA NATURAL RESOURCES COMMISSION MEETING**
Holiday Inn Hotel & Convention Center
Kearney, Nebraska
September 29, 2009

Those in attendance were:

Dick Hadenfeldt, Chair	Marlin Petermann, P-MRNRD	Rex Gittins, NDNR
Myron Lembke, Member	John Miyoshi, LPSNRD	Kent Zimmerman, NDNR
Johannes Clinton, Member	Mike Murren, LPNNRD	
Jim Van Marter, Member	Ken Berney, LPNNRD	
Roger Korell, Member	Doug Gahn, NRCS	
Dave Kadlecek, Member		
Ladd Reeves, Member		
Vince Kramper, Member		
Beverly Donaldson, Member		
Joseph Hergott, Member		
Garry Anderson, Member		
Dan Watermeier, Member		
Dick Mercer, Member		
Larry Moore, Member		

CALL TO ORDER & ROLL CALL

The meeting was called to order by Commission Chairman Hadenfeldt in the Executive Room, Holiday Inn & Convention Center, Kearney, Nebraska, at 2:00 p.m. The following members were absent: Nelsen and Rexroth.

NOTICE OF THE MEETING

Notice of the meeting was published on the Department's web site at www.dnr.ne.gov and a copy of the public meeting statutes was available for review in the room.

INFORMATIONAL MATERIAL

The following informational materials were distributed either prior to or 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. Explanation Paper
3. Expenditures – July & Aug 2009
4. NRCS Conservation – Our Purpose, Our Passion (4 pg newsletter)
5. NRDF Status Report
6. NRDF Quarterly Report
7. LENRD – Update on Maple Creek 9/28/09
8. Pigeon Jones pictures (4 pg)
9. Western Sarpy/ Clear Creek Handout

10. US Army Corps of Engineers/ NDEQ – PUBLIC NOTICE
11. SWFCF Status Report
12. Auctioneer Bids – Little Sandy Site 40
13. NSWCP Status Report
14. NRWQF Status Report
15. WWDF Status Report
16. IWMPP - Status Report: 2007-2010 Summary

MINUTES

Minutes of the July 8-9, 2009, Commission and Committee meetings were approved. *Kramper moved and Van Marter seconded to approve the Minutes of the July 8, 2009, Program Committee meeting; and the July 9, 2009, Natural Resources Commission meeting.*

Motion Passed.

Aye: Kadlecek, Lembke, Reeves, Anderson, Mercer, Moore, Johannes, Hadenfeldt, Hergott, Van Marter, Donaldson, Korell & Kramper

Nay: None

Abstain: None

Not Present: Watermeier (stepped out), Nelsen and Rexroth

EXPENDITURES REPORT

Fund expenditures reports for the months of July & August, 2009, were distributed.

ADVISOR REPORTS

Natural Resources Conservation Service (NRCS)

Doug Gahn, distributed a report, entitled “CONSERVATION Our Purpose, Our Passion”. Gahn reviewed highlights of the report.

- NRCS has funneled over \$63 million to farmers & ranchers in Nebraska who have asked for help with conservation work to improve our natural resources.
- EQIP - \$21 million of contracts let in response to \$71 million worth of applications
- Ag Water Enhancement Program is used to improve water quality and quantity by retiring irrigated land and converting it to dry land; increasing use of flow meters to manage water; converting gravity to sprinkler irrigation; and promoting the use of sub-surface irrigation.
- Cooperative Conservation Partnership Initiative focuses on Nebraska’s invasive species weed problem by partnering with Nebraska’s Department of Agriculture and seven weed management areas to control weeds.
- Nebraska’s demand for organic EQIP Special Initiative money resulted in reallocation to Nebraska of an additional \$1 million that was previously assigned to other states.
- Nebraska is the leading state in number of applications for the Conservation Stewardship Program and it rumored that if other states don’t use their initial allotment, additional money may become available to Nebraska.

- American Recovery and Reinvestment Act stimulus money will be used to repair and improve dams in Hayes, Sarpy and Washington Counties and for technical and financial assistance for projects in Knox and Scotts Bluff Counties.
- Wetland Reserve and Wetlands Reserve Enhancement Programs have spent \$22 million protecting and enhancing long term use of wet lands and water quality improvements in Nebraska.

Nebraska Environmental Trust

Vince Kramper gave the following update.

- Project priorities categories are reviewed every five years in compliance with a statutory requirement and the public is invited to comment. The first meeting was held in Kearney with 108 citizens in attendance. Meetings have also been held at the Papio-Missouri River NRD office and at the Trust’s office in Lincoln. The final meeting was being held in North Platte at the Community College as Kramper gave his report.
- 110 new applications and 32 continued funding requests for a total of \$54 million have been filed for 2010 funding.
- The next Trust meeting will be held in Lincoln on November 12th.

DNR UPDATE

Director Dunnigan gave an update during the NARD Conference which was being held in conjunction with the Commission meeting. No additional comments were presented during the Commission meeting.

LEGISLATIVE & BUDGET COMMITTEE

Legislative & Budget Committee Chair Watermeier reported that the Committee will submit written testimony on Legislative Resolution 181 to comply with a motion passed at the July meeting; no new action was taken during the Committee meeting.

PROGRAM COMMITTEE

Program Committee Chair Hergott reported on Committee discussions and brought forward the following updates and motions.

Nebraska Resources Development Fund

Financial Status & Quarterly Reports showed no unusual activity.

Ken Berney, LENRD gave a project update during the Committee meeting and made the following comments during the Commission meeting.

- Construction of the dam is 80% complete, and should be completed in the next six weeks.
- They are working on design of the recreation facilities which will be constructed next year.
- LENRD has requested a \$416,999 Allocation Increase for the Maple Creek Recreation Area (Leigh Dam) project.
- The Benefit/Cost ratio is slightly over 3%.

Hergott moved and Watermeier seconded to increase the allocation for the Maple Creek Recreation (Leigh Dam) project by \$416,999, increasing the total allocation from \$3,697,950.30 to \$4,114,949.30.

Motion Passed.

Aye: Kadlecek, Lembke, Reeves, Mercer, Moore, Johannes, Hadenfeldt, Hergott, Van Marter, Watermeier, Korell & Kramper

Nay: None

Abstain: Anderson and Donaldson

Not Present: Nelsen and Rexroth

Marlin Petermann, Assistant General Manager of the Papio-Missouri River NRD (P-MRNRD) gave a project update during the Program Committee meeting and made the following comments during the Commission meeting.

- P-MRNRD has requested an initial allocation for the Pigeon/Jones Creek project.
- The NRD intends to continue requesting allocation increases up to the 65% reimbursement level recommended by the Director at the time of approval.
- The NRD has requested confirmation that project expenses would be eligible for cost-share at a later date if/when money is allocated/obligated for the Pigeon/Jones Creek project.

Hergott moved and Kramper seconded to make an initial allocation of \$462,000 to the Pigeon/Jones Creek Project, with the understanding that P-MNRD will request additional allocation (up to a maximum of 65 percent) as funds are available under the cap.

Motion Passed.

Aye: Kramper, Moore, Hergott, Mercer, Hadenfeldt, Anderson, Lembke, Korell, Van Marter, Watermeier, Kadlecek, Johannes, Reeves & Donaldson

Nay: None

Abstain: None

Not Present: Nelson & Rexroth

Hergott moved and Anderson seconded to:

- affirm that Pigeon/Jones Creek project costs (as defined in the project application) that are incurred prior to the sponsor requesting an obligation of funds will be eligible for reimbursement,
- the sponsor's first obligation request will set the cost share percentage for all eligible project costs incurred to that date at the percent established by the most recent allocation, and
- the cost share percentage established at the time of the initial obligation will remain constant through project completion.

Motion Passed.

Aye: Reeves, Van Marter, Mercer, Lembke, Hergott, Moore, Hadenfeldt, Kadlecek, Watermeier, Anderson, Johannes, Donaldson, Korell & Kramper

Nay: None

Abstain: None
Not Present: Nelson & Rexroth

Peterman also gave a project update for their Western Sarpy/Clear Creek project during the Program Committee meeting and requested obligation of the RDF funds currently available to help defray anticipated NRD spending requirements for the accelerated project timeline.

Hergott moved and Kramper seconded to increase the obligation for the Western Sarpy/Clear Creek Flood Reduction project by \$73,000 for component #4 Construction, increasing the total obligation from \$4,686,118 to \$4,759,118.

Motion Passed.

Aye: Anderson, Van Marter, Kadlecck, Lembke, Hergott, Moore, Hadenfeldt, Kramper, Watermeier, Donaldson, Johannes, Reeves, Korell & Mercer

Nay: None

Abstain: None

Not Present: Nelson & Rexroth

Johannes requested staff highlight the unobligated balance when there is a significant amount available. Other possible reporting changes were raised, but Watermeier suggested we not change procedure and no further action was taken.

Bob Hilske, Nemaha NRD manager presented an update during the program Committee meeting on the activities and discussion at a recent meeting related to obtaining a Corps of Engineers 404 permit.

Balances of obligated funding by project were noted. There was no additional discussion or action.

Small Watersheds Flood Control Fund Status Report

No unusual activity was reported.

Staff submitted five bids for consideration and approval to provide the auctioneering services next January for the sale of an 80 acre track of land purchased by the Little Blue NRD with this fund. The track of land in Thayer County, Nebraska, will be offered for sale on January 13, 2010, at 1:30 p.m. in the Little Blue NRD office in Davenport, Nebraska.

Hergott moved and Korell seconded to approve the auctioneer services bid of William E Rut, Home & Country LLC for the sale of the 80 acre tract in the E1/2 SE1/4 of Section 3, Township 4 North, Range 1 West of the 6th P.M. in Thayer County associated with Little Sandy Creek Site 40 next January.

Motion Passed.

Aye: Kramper, Kadlecck, Watermeier, Moore, Hadenfeldt, Mercer, Lembke, Anderson, Van Marter, Johannes, Donaldson, Reeves, Korell & Hergott

Nay: None

Abstain: None

Not Present: Nelson & Rexroth

Soil & Water Conservation Program Fund

Normal activity reported.

Natural Resources Water Quality Fund

Normal activity reported.

Water Well Decommissioning Fund

Normal activity reported.

Interrelated Water Management Plan Program

Status report showed normal activity.

It was noted that Guideline revisions will be acted upon at the November Commission meeting. Staff noted that proposed changes were sent to NRD managers for comment. The email included a draft of the Guidelines with redlined changes plus a separate detailed listing of the changes with spaces for comment. The two responding NRDs had no comment.

Johannes relayed a concern voiced by ELM project sponsors that the contract had not been executed. Gittins reminded Commissioners that Jesse Bradley had reported at the May Commission meeting that despite some concerns, the project was recommended for approval on the basis that staff and project sponsors would work out some concerns about the project scope. Those aspects have not yet been ironed out, but actions to do so are in process.

Hadenfeldt offered to form a committee to facilitate dispute resolution. Gittins recommended that staff should first relay Commission concerns and note the Commission's offer to help expedite the process to Jim Schneider and Dunnigan.

John Miyoshi, manager Lower Platte North NRD, explained that DNR concerns resulted from reliance on previous phase results that resulted in an inappropriate preliminary determination that the basin was fully appropriated. The error was obvious once the contractor (U.S. Geological Services) delivered detailed data. As a result, DNR staff is requiring an external peer review of the data and conclusions prepared by the contractor in the current phase before the project is allowed to move forward with the next phase.

CAUCUS

Due to Commissioner Myron Lembke moving to a new residence located outside the boundary of the basin he represents, a Caucus must be held to elect a Commissioner to fill the unexpired term of Commissioner representing the North Platte NRD.

Donaldson moved and Johannes seconded that staff coordinate with affected NRDs to convene a caucus to elect a new commissioner to represent the North Platte River Basin

for the unexpired term of Myron Lembke who moved outside of the North Platte Basin boundary.

Motion Passed.

Aye: Kramper, Kadlecek, Lembke, Hergott, Moore, Hadenfeldt, Mercer, Watermeier, Anderson, Van Marter, Johannes, Donaldson, Reeves & Korell
Nay: None
Abstain: None
Not Present: Nelson & Rexroth

Several Commission members and staff noted appreciation for Lembke’s contributions to the Commission during the past four and a half years.

Hadenfeldt moved and Van Marter seconded, to adopt a resolution of appreciation thanking Myron Lembke for over four years of service on the Natural Resources Commission.

Motion passed by unanimous voice vote.

ANNOUNCEMENTS

The November Program Committee meeting will be at the Lower Platte South NRD. The Commission meeting will be at the Lower Platte North NRD and will include a tour of the Sand Creek Environmental Restoration (Lake Wanahoo) project.

Commissioners were reminded that electronic expense reimbursement forms can be completed and submitted on line, and that reported meal expenses of \$5.00 or more must be accompanied by a receipt. Jill Richters will email the web link to the expense report form to Commissioners and can answer any questions that may arise.

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Meeting adjourned at 3:07 p.m.

N. Richard Hadenfeldt, NRC Chair

Brian P. Dunnigan, Director - DNR