

NEBRASKA NATURAL RESOURCES COMMISSION
MEETING MINUTES – January 30, 2013

Those in attendance were:

Garry Anderson, Member	Mick Reynolds, Member	Mike Onnen, LBNRD
Kenneth Brockman, Member	Dave Kadlecek, Vice-Chair	Scott Sobotka, LBBNRD
Tom Knutson, Member	Kevin Fornoff, Member	John Miyoshi, LPNNRD
Jeff Steffen, Member	Dave Deines, Member	Mike Murren, LPNNRD
Dick Hadenfeldt, Member	Craig Derickson, NRCS	Bob Hilske, NNRD
Joseph Hergott, Member	Dave Clabaugh, LBBNRD	Jill Richters, NDNR
Keith Rexroth, Member	Marlin Petermann, PMRNRD	Karen Best, NDNR
Dick Mercer, Chair	Milt Moravek, CPNRD	LeRoy Sievers, NDNR
Clint Johannes, Member	Lorrie Benson, UNL	Rex Gittins, NDNR
Steven Sugden, Member	Lalit Jha, JEO	Kent Zimmerman, NDNR

CALL TO ORDER & ROLL CALL

The meeting was called to order by Commission Chairman Mercer at 1:30 p.m. at the Embassy Suites Hotel, Lincoln, Nebraska. The following members were absent: Stan Clouse and Beverly Donaldson.

NOTICE OF THE MEETING

Notice of the meeting was published on the State Public Meetings Calendar and on the Department of Natural Resources web site at www.dnr.ne.gov. A copy of Nebraska's public meeting statutes was available in the room.

INFORMATIONAL MATERIALS

The following informational materials were distributed at the Commission meeting. A copy of each is attached to the file copy of these minutes.

1. Commission Meeting Agenda
2. Selected Agenda Topics Explanation Paper
3. NRCS Report to the NRC
4. UNL Save the Dates flyer and Spring 2013 Water Seminar Agenda
5. Fund Expenditures Report and Balances for November and December 2012
6. Resources Development Fund Status Reports as of 1/16/2013
7. RDF Project Sponsor Handouts for the following projects: Pigeon/Jones; Lower Turkey; Upper Prairie/Silver/Moores; Little Sandy; and Buck & Duck
8. Small Watershed Flood Control Fund Status Report as of 1/1/2013
9. Nebraska Soil & Water Conservation Fund Status Report as of 12/31/2012
10. Nebraska Water Quality Fund Status Report as of 12/31/2012
11. Water Well Decommissioning Fund Status Report as of 12/31/2012
12. Interrelated Water Management Planning Program Report as of 1/17/2013
13. Upper Niobrara White NRD Request to add a component to the Approved Practices

INTRODUCTION OF NEW COMMISSIONERS

Regular caucuses to select Commission members to represent six basins were held on January 4-11, 2013. In addition, a special caucus was held for the Nemaha Basin to fill the unexpired term of Dan Watermeier who was elected to the State Legislature. Incumbents Anderson, Hergott, Kadlecek and Deines were re-elected. New Commission members Kevin Fornoff (Republican basin), Mick Reynolds (Middle Platte basin) and Steven Sugden (Nemaha basin) were introduced and welcomed to the Commission.

RECOGNITION OF FORMER COMMISSIONERS

Mercer recognized the outgoing Commissioners including Dan Nelson, Ladd Reeves, and Dan Watermeier. Ken Brockman, representative for the Big Blue River Basin, also announced that he was resigning effective January 31, 2013. Brockman explained that he is moving to a location outside of the Big Blue River drainage basin and would no longer be eligible to serve as basin representative. Commissioners thanked Brockman for his service.

Mercer moved and Rexroth seconded the motion to adopt a resolution thanking Ken Brockman, Dan Nelson, Ladd Reeves, and Dan Watermeier for their dedicated service to the Nebraska Natural Resources Commission.

Motion Passed.

Aye: Anderson, Brockman, Kadlecek, Hergott, Hadenfeldt, Mercer, Rexroth, Johannes, Steffen, Deines, Knutson, Fornoff, Reynolds and Sugden
Nay: None
Abstain: None
Not Present: Clouse and Donaldson

MINUTES

Knutson moved and Hergott seconded the motion to approve the minutes of the November 28, 2012, Program Committee Meeting and the November 29, 2012, Commission meeting.

Motion Passed.

Aye: Anderson, Brockman, Fornoff, Kadlecek, Hergott, Hadenfeldt, Mercer, Rexroth, Johannes, Steffen, Deines and Knutson
Nay: None
Abstain: Reynolds and Sugden
Not Present: Clouse and Donaldson

EXPENDITURES REPORT

Fund expenditures reports showing financial activity and ending balances for November and December were distributed prior to the meeting. No unusual expenditures were reported.

ADVISOR REPORTS

NRCS

Craig Derickson, NRCS State Conservationist, distributed a report and noted the following:

- Agriculture Secretary Vilsack recently noted that during the period covered by the last Farm Bill, conservation systems installed with NRCS program support reduced water withdrawn from the Ogallala Aquifer by at least 860,000 acre-feet.
- Nominations for the Master Conservationist Award are due February 1, 2013. Additional information can be obtained at <http://www.omaha.com/section/owh0901>.
- The Hispanic/Women Farmers Claims Process is open to individuals who feel they may qualify. Claims packets may be obtained prior to March 25, 2013 by visiting <https://www.farmerclaims.gov>.
- Nebraska's NRCS's nine primary resources concerns were listed. These will be used in the budget planning and the performance and goals processes.
- Highlights for the past year's program accomplishments were reviewed. NRCS employees in conjunction with NRD staff & board members and NGO partners obligated over 2,000 contracts with a variety of programs providing \$82 million in financial assistance primarily through the Farm Bill. Derickson thanked everyone who helped in this process.
- NRCS field office workload has increased 250% since 2008 mainly as a result of producers breaking out new land to bring into crop production due to high commodity prices.
- Tim Haakenstad, Nebraska State Engineer, was presented with the Dedicated Service Award by the Nebraska Land Improvement Contractors Association (LICA).
- NRCS Nebraska is leading an effort to acquire LiDAR elevation data for the State of Nebraska.

Environmental Trust

No report given.

UNL Water Center

Lorrie Benson, Assistant Director of the Nebraska Water Center, part of the Robert B. Daugherty Water for Food Institute, presented the following information:

- Two candidates have just been interviewed for the position of Director of the Nebraska Water Center. This position may be filled later this year.
- The Water and Natural Resources Tour has been set for June 25 - 27, 2013. The focus will be water management issues in an area between Kearney, Columbus and just west of Lincoln.
- Dates have been set and final details are being worked out for the Water Symposium scheduled for October 15, 2013, and the Water Law Conference on October 16 with both being held at the Cornhusker Marriott Hotel in Lincoln.
- The Spring 2013 Water Seminar Series has begun and are being held on Wednesday afternoons at 3:30 in Hardin Hall at 33rd and Holdrege on East Campus. Most lectures can be viewed on the Water Center's web site about a week after the live presentation.

DNR Update

On January 9, 2013, the Special Master selected by the U.S. Supreme Court issued a draft report on the Kansas v. Nebraska and Colorado lawsuit regarding the Republican River Compact. It was also noted that Department staff is discussing a voluntary IMP with Lewis and Clark NRD.

PROGRAM COMMITTEE

A separate Program Committee meeting was not held. Committee Chair Hadenfeldt led the discussion on agenda topics pertaining to program activities. Normal activity was reported for all funds.

Resources Development Fund

The status report dated January 16, 2013, was reviewed. Reimbursements to Lower Platte North NRD for the Lake Wanahoo Project are being withheld as the sponsor will soon bring a series of requests to the Commission, and it is in their best interest to wait until the Commission takes action on those requests before resuming reimbursement. Anderson asked if unspent funds would be reviewed for possible re-distribution prior to the end of the fiscal year. This has been done in the past as a means to assure the Fund balance carried over is minimal. Johannes stated that the obligation to the Sand Creek Environmental Restoration (Lake Wanahoo) Project should be retained since expenditures have been incurred and reimbursement is pending only until paperwork is completed and validated.

Project sponsors (listed below) presented project updates at the meeting. Each covered a few items of interest regarding project progress, allocation balances and projected needs to complete, obligated funding status, and anticipated challenges to complete each project. Based on sponsors' estimates, the Commission should expect requests for allocation increases on approved projects over the next few years to total more than \$14 million.

<u>Presenter</u>	<u>NRD</u>	<u>Project</u>
Mike Onnen	Little Blue	Little Sandy
Bob Hilske	Nemaha	Buck & Duck
Dave Clabaugh	Lower Big Blue	Lower Turkey
Marlin Petermann	Papio-Missouri	Pigeon/Jones
	Papio-Missouri	Western Sarpy/Clear Creek
Milt Moravek	Central Platte	Upper Prairie/Silver/Moores
John Miyoshi	Lower Platte North	Lake Wanahoo

Small Watersheds Flood Control Fund

Staff reported that the auction held at Union Bank in Wahoo, Nebraska, on January 18, 2013, was well attended with approximately 45 people in the audience. Prior to the auction, staff researched a question about public notice requirements stated in Title 257, Chapter 27. DNR legal staff found that neither Nebraska case law nor Attorney General opinions addressed this the question. However, a Washington State case (Cite: 7 Wash.2d 236, 109 P.2d 530) was determined to specifically address the issue and served to confirm that the public notice requirement was met.

Bids for both tracts of land held by the Lower Platte North NRD exceeded the appraised value which was determined only days before the auction.

Knutson moved and Anderson seconded the motion to approve the high bid of \$3,600/acre (\$144,000.00) for the 40 acre tract described as the SW¹/₄SE¹/₄ Section 5, Township 16 North, Range 5 East of the 6th P.M. in Saunders County, Nebraska; and \$3,500/acre (\$217,350.00) for the 62.1 acre tract located within the W¹/₂NE¹/₄ Section

29, Township 16 North, Range 6 East of the 6th P.M., Saunders County, Nebraska at the January 18, 2013, auction held at Union Bank in Wahoo, Nebraska for the Lower Platte North NRD.

Motion Passed.

Aye: Anderson, Brockman, Kadlecek, Hergott, Hadenfeldt, Mercer, Rexroth, Johannes, Steffen, Deines, Knutson, Fornoff, Reynolds and Sugden
Nay: None
Abstain: None
Not Present: Clouse and Donaldson

Soil and Water Conservation Fund Program

Jill Richters advised the Commission that some delays in paying claims for reimbursements have been encountered. Claims by landowners not registered in the State accounting system are submitted to State Accounting for a customer number. Due to a staff position vacancy, State Accounting is running three to four weeks behind in the registration process.

The Upper Niobrara White NRD requested adding wind, solar and electric pumping plants to the list of items eligible for cost share under NSWCP. These items are included as eligible components in the NRCS docket.

Rexroth moved and Anderson seconded the motion to approve additional components for practice NC-14 - Planned Grazing Systems for NSWCP cost share, to include the same language as Nebraska Practice Payment Schedule, Practice Code (533), under NRCS for cost share assistance on Pumping Plants.

Motion Passed.

Aye: Anderson, Brockman, Kadlcek, Hergott, Hadenfeldt, Mercer, Rexroth, Johannes, Steffen, Deines, Knutson, Fornoff, Reynolds and Sugden
Nay: None
Abstain: None
Not Present: Clouse and Donaldson

Natural Resources Water Quality Fund

The next distribution of available funds will be made in February.

Water Well Decommissioning Fund

The fund balance has been administered so that amounts allocated align with cash available. This may result in slightly higher allocations for FY 2014.

Interrelated Water Management Plan Program Fund

Staff explained the fund balance and implications of the State's quarterly allotment process.

ELECTION OF OFFICERS

On behalf of the nominating committee, Hadenfeldt stated that the committee recommended continuation of the tradition whereby the current vice-chairperson is nominated to assume the role of chairperson and the nominee for vice-chairperson is rotated from east to west across the state. He then offered the following nominations for 2013.

- Chair - Dave Kadlecek
- Vice-chair – Beverly Donaldson

Hadenfeldt then moved and Anderson seconded a motion to cease nominations for chairperson and cast a unanimous ballot for Dave Kadlecek.

Motion Passed.

Aye: Anderson, Brockman, Kadlecek, Hergott, Hadenfeldt, Mercer, Rexroth, Johannes, Steffen, Deines, Knutson, Fornoff, Reynolds and Sugden
Nay: None
Abstain: None
Not Present: Clouse and Donaldson

Fornoff moved and Brockman seconded a motion to cease nominations for vice-chairperson and cast a unanimous ballot for Beverly Donaldson.

Motion Passed.

Aye: Anderson, Brockman, Kadlecek, Hergott, Hadenfeldt, Mercer, Johannes, Steffen, Deines, Knutson, Fornoff, Reynolds and Sugden
Nay: None
Abstain: Rexroth
Not Present: Clouse and Donaldson

Knutson requested that the record show that the Commission extended a sincere thank you to Chairman Mercer for a job well done in his term as the 2012 Chairman for the Commission.

Kadlecek then assumed chair responsibilities for the remainder of the meeting.

COMMITTEE ASSIGNMENTS

Chairman Kadlecek appointed all Commissioners to the Program Committee and asked Hadenfeldt to continue as the chairperson for that committee. Johannes was appointed to chair the Legislative & Budget Committee, and Hergott, Knutson, Rexroth and Sugden volunteered to serve as members of that committee.

DISCUSSION & ACTION ON MEETING DATES

Dave Clabaugh, General Manager, Lower Big Blue NRD, offered to host a June meeting. It was suggested that the meeting include a tour of some Lower Turkey Creek Watershed Project dam sites (Lower Big Blue NRD) and also Little Sandy Creek Watershed Project dam sites (Little Blue NRD).

Coordination of Commission meetings with the NARD Annual Conference in September and the NARD Legislative Conference next January was discussed. Commissioners stated a preference for continuing to meet in conjunction with those activities.

Anderson moved and Knutson seconded a motion to set dates for three meetings: June 12-13 (Beatrice); September 23-24; January 28-29, 2014; and authorized staff to schedule special meetings as needed.

Motion Passed.

- Aye: Anderson, Brockman, Kadlecek, Hergott, Hadenfeldt, Mercer, Rexroth, Johannes, Steffen, Deines, Knutson, Fornoff, Reynolds and Sugden
- Nay: None
- Abstain: None
- Not Present: Clouse and Donaldson

NOTE:

Subsequent to the meeting, it was noted that the date selected for the June meeting conflicts with the NACD meeting in Chadron. Therefore the June meeting date was moved to June 19-20, 2013, in Beatrice.

NEW PROJECT REVIEW & ASSESSMENT PROCESS SUBCOMMITTEE

Staff stated its intention to hold orientation meetings at three locations across the state. Kadlecek suggested review of the Commission's Policy Statements V through XIV in conjunction with those meetings. He asked staff to email those policy statements to Commissioners for review and discussion at the orientation meetings. Discussion and possible action to update Commission Policies should be included on the agenda for the June meeting.

LR 314 & DRAFT LEGISLATION AFFECTING THE COMMISSION

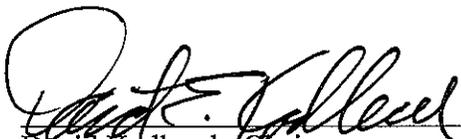
Commission members briefly discussed legislation that could affect the Commission. The Legislative & Budget Committee was directed to follow up on LB 517 in particular.

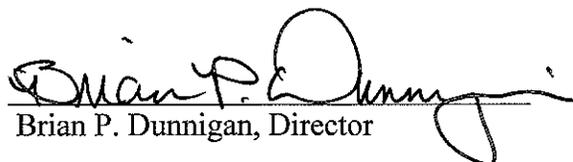
ANNOUNCEMENTS / OTHER BUSINESS

LeRoy Sievers mentioned the revised Rules of Practice and Procedure, Title 260, had been approved by the Governor's office and by the Attorney General's office and are now on the Secretary of State's web site. Staff will seek input from Commission members regarding possible changes to fund-related rules.

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The meeting was adjourned at 4:02 p.m.


David Kadlecek, Chair


Brian P. Dunnigan, Director