

NEBRASKA NATURAL RESOURCES COMMISSION
MEETING MINUTES – JUNE 16, 2015
Holiday Inn Convention Center – Kearney, Nebraska

Roll Call:

Commissioners		Absent	Present	Commissioners		Absent	Present
Amen	Karen	X		Kraus	Don		X
Anderson	Garry		X	Palm	Owen	X	
Barels	Brian		X	Palmertree	Tom		X
Batie	Donald	X		Rains	Darrell M.		X
Christensen	Joel		X	Rexroth	Keith		X
Clouse	Stan		X	Reynolds	Michael (Mick)		Late
Deines	Dave		X	Smathers	Scott		X
Fornoff	Kevin		X	Smith	Lindsey		X
Hadenfeldt	N. Richard		X	Steffen	Jeff		X
Hergott	Joseph		Late	Strauch	Walter Dennis		X
Huggenberger	Steve		X	Sugden	Steven		X
Kadlecek	David	X		Taylor	Loren		X
Knutson	Thomas		X	Thompson	Jim		X
Kosman	Henry (Hod)		X				

DNR staff in attendance:

Rex Gittins, Kent Zimmerman, LeRoy Sievers and Jill Richters

Others in attendance were:

John Miyoshi Mike Almond, and Mike Murren, LPNNRD; Brian Dunnigan, OA; Kevin Kruse, JEO; Bob Hilske, NNRD; Dave Griffith, NRCS; Steve Cogley, Hastings Utility; Marlin Petermann, P-MRNRD.

CALL TO ORDER, ROLL CALL

Commission Chairperson Fornoff called the meeting to order at 8:00 a.m. at the Holiday Inn Convention Center, Kearney, Nebraska.

NOTICE OF THE MEETING

Notice of the meeting was published on the State Public Meetings Calendar and on 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 meeting. Copies are attached to the file copy of these minutes.

1. Commission Meeting Agenda
2. Natural Resources Conservation Service (NRCS) Report to the Commission
3. Expenditures Report
4. Resources Development Fund (RDF) Status Reports as of 6/9/15

5. Transfers to Facilitate Reimbursement Report 6/9/2015
6. Small Watershed Flood Control Fund Status Report as of 5/31/15
7. Small Watershed Flood Control Fund Projected Funding Requests for FY16 & 17
8. Nebraska Soil & Water Conservation Fund (NSWCPF) Status Report as of 5/31/2015
9. Nebraska Water Quality Fund Status Report as of 5/31/2015
10. Water Well Decommissioning Fund Status Report as of 5/31/2015
11. Interrelated Water Management Planning Program Report as of 6/9/15
12. NRC (redline) Draft Rules Title 261
13. Changes Recommended to the Draft Rules Title 261
14. Packet of comments submitted for & Transcript of the Hearing on Title 261
15. Petermann Letter 3/16/2015
16. Miyoshi Letter and packet dated 6/16/2015

MINUTES

Knutson moved and Kraus seconded the motion to approve the minutes of the March 16, 2015 Commission meeting.

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen				X	Kraus	X			
Anderson	X				Palm				X
Barels	X				Palmertree	X			
Batie				X	Rains	X			
Christensen	X				Rexroth	X			
Clouse	X				Reynolds				X
Deines	X				Smathers	X			
Fornoff	X				Smith	X			
Hadenfeldt	X				Steffen	X			
Hergott				X	Strauch	X			
Huggenberger	X				Sugden	X			
Kadlecek				X	Taylor	X			
Knutson	X				Thompson	X			
Kosman	X				TOTALS	21	0	0	6

NRCS COMMENTS

Dave Griffith, NRCS, distributed a report and highlighted key items. One of the items, the Ogallala Aquifer Initiative, funded through the Regional Conservation Partnership Program, received \$6.5 million to help conserve water and improve water quality. Nebraska received \$1.8 million of the funding and producers in designated areas within the Upper Big Blue, Central Platte and Little Blue have until June 19, 2015, to apply for conservation funding through this initiative.

DNR UPDATE

Gittins noted that it was business as usual at the Department; and that Acting Director Schneider was unable to attend the Commission meeting due to the necessity of his attendance at the Republican River Basin-wide Planning/Stakeholders Meeting.

EXPENDITURES REPORT

No unusual expenditures were reported.

PROGRAM COMMITTEE

Committee Chair Knutson led discussion of the following items.

Resources Development Fund (RDF)

- The Status Report dated June 9, 2015, was reviewed and showed no unusual activity.
- Staff reported the following transfers had been made under the authority of the Commission's Rules, Title 256, Chapter 4 – No. 12 to facilitate sponsor reimbursements:

Lake Wanahoo

Component	No.	Amount Reduced	Amount Increased
ENGINEERING	2	\$269,647.42	
CONSTRUCTION	4	\$163,887.32	
LAND RIGHTS - Pre Application Approval	5	\$264,180.36	
RELOCATION	6		\$13,092.07
WELL ABANDONEMENT	7		\$1,186.65
PLATTE RIVER & TRIBS STUDY	9		\$233,166.00
CORPS. PED	10		\$38,445.00
SURVEY PROJECT BOUNDARY-(J.E.O.)	14		\$2,400.00
FISHERIES PROJECT	15		\$146,768.64
SEEDING	16		\$742.50
INVERTED FILTER	17		\$129,728.85
CCEI LEGAL FEES	18		\$44,760.59
RECREATION	20		\$87,424.80

Lower Turkey Creek

Component	No.	Amount Reduced	Amount Increased
ENGINEERING	2		328.59
LAND RIGHTS	3		\$10,640.42
CONSTRUCTION	4	\$10,969.01	

- Lower Platte North NRD (LPNNRD) submitted requests regarding the Lake Wanahoo Project. John Miyoshi, General Manager, LPNNRD briefed the Commission regarding these requests and noted the cost share balance between the LPNNRD and the U. S. Army Corps of Engineers is currently in favor of the LPNNRD by \$910,905. He stated that the LPNNRD will return any excess funds to the NRDF in the same proportion they were received, but added that much of this was related to the upstream dams which are not part of the RDF project,.

Component Number	LOWER PLATTE NORTH NRD LAKE WANAHOO LPNNRD Detailed Expenses	Component Limits Eligible For Cost Share	Not-Eligible For Cost Share/or Local Share Match
1	APPLICATION & FEASIBILITY		
2	ENGINEERING		
3	LAND RIGHTS - Post Application Approval		
4	CONSTRUCTION		
5	LAND RIGHTS - Pre Application Approval	\$12,660.00	
6	RELOCATION		
7	WELL ABANDONEMENT		
8	SAUNDERS CO ROAD "O" BRIDGE		
9	PLATTE RIVER & TRIBS STUDY		
10	CORPS. PED		
11	ENGINEERING/DESIGN-LPNNRD (OA)		
12	PMP STUDY/DESIGN		
13	CLEAR & GRUB DAM SITE		
14	SURVEY PROJECT BOUNDARY- (J.E.O.)		
15	FISHERIES PROJECT		
16	SEEDING	\$822.62	\$822.62
17	INVERTED FILTER		
18	CCEI LEGAL FEES	\$151.62	\$151.62
19	PAVING PARK ENTRANCE- (PLANNED)		
20	RECREATION		
21	PMP STUDY/DESIGN	\$12,685.99	\$12,685.99

Memo: Prior Revenue/Sales Offset – Allocation Reduction June 16, 2015 \$13,660.23

Anderson moved and Hadenfeldt seconded the motion to grant the request of LPNNRD to:

- 1) **Reduce the project allocation by \$13,660.23 and allow LPNNRD to retain an equal amount reported as the RDF share of hay and dirt sales revenue;**
- 2) **Direct staff to identify in the minutes of this meeting an equal amount (\$13,660.23) within specific components which will permanently be excluded from consideration as local share costs;**
- 3) **Allow expenses identified as Harding/Stober well abandonment and relocation (Grosch Irrigation) in the amount of \$12,660.00 to be eligible for cost share in Component #5;**
- 4) **Allow additional cost share (net amount) of \$822.62 (Component #16 Seeding), \$151.62 (Component #18 CCEI), and \$12,685.99 (Component #21 PMP) to be eligible for cost share.**

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen				X	Kraus	X			
Anderson	X				Palm				X
Barels	X				Palmertree	X			
Batie				X	Rains	X			
Christensen	X				Rexroth	X			
Clouse	X				Reynolds	X			
Deines	X				Smathers	X			
Fornoff	X				Smith	X			
Hadenfeldt	X				Steffen	X			
Hergott	X				Strauch	X			
Huggenberger	X				Sugden	X			
Kadlecek				X	Taylor	X			
Knutson	X				Thompson	X			
Kosman	X				TOTALS	23	0	0	4

- There was no discussion to modify project components.
- Allocation and obligation of FY 2016 Funds.

Staff noted the \$3,140,325 from the General Fund would be available in quarterly allotments starting July 1, 2015. The \$3,000,000 transfer from the Water Sustainability Fund will occur on August 15th and be available under the same quarterly allotment schedule. Staff also reviewed the table “RDF Sponsor's FY 16 Obligation Request and Associated DNR Staff Recommendations for Allocation Adjustments”.

Marlin Petermann, Assistant General Manager of the Papio-Missouri River NRD, distributed a letter addressed to the Commission and dated June 16, 2015. The letter represented a proposal approved by all but one of the project sponsors that available funds be obligated on a “Pro-Rata Share” basis which was detailed in an attached table.

John Miyoshi, General Manager of the Lower Platte North NRD, distributed a packet addressed to the Commission and dated June 16, 2015, which argued for fully funding allocations made in June 2014 before obligating funds toward new project allocations.

Knutson moved and Clouse seconded the motion to end discussion and call the question.

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen				X	Kraus	X			
Anderson		X			Palm				X
Barels	X				Palmertree	X			
Batie				X	Rains	X			
Christensen	X				Rexroth	X			
Clouse	X				Reynolds	X			
Deines	X				Smathers	X			
Fornoff	X				Smith	X			
Hadenfeldt	X				Steffen	X			
Hergott	X				Strauch	X			
Huggenberger	X				Sugden	X			
Kadlecek				X	Taylor	X			
Knutson	X				Thompson	X			
Kosman	X				TOTALS	22	1	0	4

The Commission chose the "Pro-Rata Share" method for obligation of FY16 funds as listed on the following table:

RDF Sponsor's FY 16 Obligation Request (with DNR Staff Recommendations for Allocation Adjustments)				
Project	FY 16 Allocation Increase	Sponsor's FY 16 Obligation Request	Components	
			Land	Construction
Buck & Duck	404,769.21	\$ 432,677.61	\$ 432,677.61	0.00
Lower Turkey	147,660.89	\$ 459,383.68	0.00	\$ 459,383.68
Pigeon/Jones	2,183,887.45	\$ 3,097,333.84	\$ 744,655.35	\$ 2,352,678.49
Upper Prairie	386,272.81	\$ 906,687.47	\$ 447,955.47	\$ 458,732.00
Lake Wanahoo	0.00	\$ 603,589.81	\$ 423,589.81	\$ 180,000.00
Western Sarpy	82,320.47	\$ 640,652.59	\$ 305,890.97	\$ 334,761.62
TOTALS	\$ 3,204,910.83	\$ 6,140,325.00		

Rexroth moved and Sugden seconded the motion to allocate and obligate by component as described (above) on "RDF Sponsor's FY 16 Obligation Request (with DNR Staff Recommendations for Allocation Adjustments)" table.

Motion Passed.

Barels requested that discussion of proposals for obligation of FY2017 funds begin at the January 2016 meeting.

Small Watersheds Flood Control Fund

Staff reported no activity other than some additional accrued interest as shown on the Status Report and reviewed projected funding requests depicted on the table.

Knutson moved and Smathers seconded the motion to establish the Revolving Fund Base for the Small Watersheds Flood Control Fund at \$695,545.25 for FY16.

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen				X	Kraus	X			
Anderson	X				Palm				X
Barels	X				Palmertree	X			
Batie				X	Rains	X			
Christensen	X				Rexroth	X			
Clouse	X				Reynolds	X			
Deines	X				Smathers	X			
Fornoff	X				Smith	X			
Hadenfeldt	X				Steffen	X			
Hergott	X				Strauch	X			
Huggenberger	X				Sugden	X			
Kadlecek				X	Taylor	X			
Knutson	X				Thompson	X			
Kosman	X				TOTALS	23	0	0	4

- Currently the fund has no land in inventory and none to sell. Therefore, there was no discussion to set the sales schedule.

Soil and Water Conservation Fund Program

No action.

Natural Resources Water Quality Fund

No action.

Water Well Decommissioning Fund

No action.

Interrelated Water Management Plan Program Fund Water Sustainability Fund

Staff reported the sponsor's final reimbursement has been made and the fund would close-out with approximately \$180,000 being returned to the General Fund.

No action.

Water Sustainability Fund

No action.

LEGISLATIVE & BUDGET COMMITTEE REPORT

Committee Chair Sugden discussed the need for a future legislative request to establish a specific dollar limit "cap" the WSF could commit to projects; and suggested the Committee meet as part of the September NRC meeting.

Gittins described the implications of the main line budget bill (LB 657) and the funds transfer bill (LB661).

Sievers reported LB206 altered the existing statutes to allow the NRDs to better enforce the Erosion and Sediment Control Act.

COMPREHENSIVE PLANNING COMMITTEE

Committee Chair Smathers opened the discussion with discussion regarding comments offered at the public hearing on the rules. The Comprehensive Planning Committee met, reviewed and discussed each comment and formulated the paper "CHANGES RECOMMENDED TO THE DRAFT RULES TITLE 261". The Committee's recommendations were incorporated into red line changes of a draft Title 261. The Commission discussed each of the Committee's recommended changes.

Kosman moved and Rexroth seconded the motion to approve the red letter language on page 18 of the Title 261 draft.

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen				X	Kraus	X			
Anderson		X			Palm				X
Barels	X				Palmertree	X			
Batie				X	Rains	X			
Christensen		X			Rexroth	X			
Clouse	X				Reynolds		X		
Deines	X				Smathers	X			
Fornoff	X				Smith	X			
Hadenfeldt	X				Steffen	X			
Hergott	X				Strauch	X			
Huggenberger	X				Sugden		X		
Kadlecek				X	Taylor	X			
Knutson	X				Thompson		X		
Kosman	X				TOTALS	18	5	0	4

Clouse moved and Anderson seconded the motion to adopt the rules (Title 261) as amended and proceed with the rules formation process.

Motion Passed.

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen				X	Kraus	X			
Anderson	X				Palm				X
Barels	X				Palmertree	X			
Batie				X	Rains	X			
Christensen	X				Rexroth	X			
Clouse	X				Reynolds	X			
Deines	X				Smathers	X			
Fornoff	X				Smith	X			
Hadenfeldt	X				Steffen	X			
Hergott	X				Strauch	X			
Huggenberger	X				Sugden	X			
Kadlecek				X	Taylor	X			
Knutson	X				Thompson	X			
Kosman	X				TOTALS	23	0	0	4

FUTURE MEETINGS

- There was no discussion.

ANNOUNCEMENTS / OTHER BUSINESS

- The next meeting is scheduled for September 29, 2015 in Kearney, Nebraska.
- Gittins offered that staff could conduct a refresher training session for Commissioners regarding the operation of each fund. Several Commissioners asked that this be arranged prior to the next regular meeting.

* * * * *

The meeting was adjourned at 11:44 a.m.

Kevin Fornoff, Chairman

James C. Schneider, Ph.D., Acting Director

DRAFT