

NEBRASKA NATURAL RESOURCES COMMISSION
MEETING MINUTES – January 28, 2015
Embassy Suites Hotel – Lincoln, 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)		X
Deines	Dave		X	Smathers	Scott		X
Fornoff	Kevin		X	Smith	Lindsey		X
Hadenfeldt	N. Richard		X	Steffen	Jeff		X
Hergott	Joseph		X	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; Jill Richters; Karen Best

Others in attendance were:

Mark Brohman, NET	Richard Wilson, USGS	Eric Williams, P-MRNRD
Lynn Webster, UNWNRD	Dustin Wilcox, NARD	Rachael Herpel, UNL
Bob Hilske, NNRD	Karen Griffin, OA	Dave Clabaugh, LBBNRD
Paul Zillig, LPSNRD	Russ Callen, LENRD	Steve Oltmans, OA
Brad Soncksen, NRCS	Jim Nedrow, ICGC	Greg Osborn, LPSNRD

CALL TO ORDER, ROLL CALL

Commission Vice-Chairman Fornoff called the meeting to order at 1:30 p.m. at the Embassy Suites Hotel, Lincoln, Nebraska.

INTRODUCTION OF NEWLY ELECTED COMMISSIONERS

Caucus results from the January 9-16, 2015, caucuses were discussed. Incumbents Hadenfeldt, Rains, Rexroth, Steffen and Sugden were re-elected. New Commission members Karen Amen representing the Lower Platte River basin, and Jim Thompson representing the basin encompassing a Metropolitan Class City were introduced and welcomed to the Commission.

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. Expenditures Report
3. Resources Development Fund (RDF) Status Report as of 1/21/15
4. Small Watershed Flood Control Fund Status Report as of 12/31/14
5. Nebraska Soil & Water Conservation Fund (NSWCPF) Status Report as of 12/31/2014
6. Nebraska Water Quality Fund Status Report as of 12/31/2014
7. Water Well Decommissioning Fund Status Report as of 12/31/2014
8. Interrelated Water Management Planning Program Report as of 1/21/15
9. Comprehensive Planning Committee Notes 1/21/15
10. Funding Scenarios spreadsheet

MINUTES

Rexroth moved and Anderson seconded the motion to approve the minutes of the November 25th, 2014 Commission meeting.

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	24	1	2	

ADVISOR COMMENTS

The following people offered brief reports.

NRCS - Brad Soncksen

USGS- Richard Wilson

UNL- Rachel Herpel

NET- Mark Brohman

DNR UPDATE

Gittins stated that since the resignation of Brian Dunnigan, Jim Schneider has been the department's Acting Director. Gittins also noted a bill was introduced in the Legislature to change provisions relating to director qualifications.

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.

ELECTION OF OFFICERS

On behalf of the nominating committee, Reynolds nominated Kevin Fornoff for chairman and Dennis Strauch for vice-chairman. No other nominations were made.

Reynolds moved and Batie seconded the motion to cease nominations for chairman and cast a unanimous ballot for Kevin Fornoff.

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	27	0	0	0

Reynolds moved and Sugden seconded the motion to cease nominations for vice-chairman and cast a unanimous ballot for Denis Strauch.

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	27	0	0	0

COMMITTEE ASSIGNMENTS

Chairman Fornoff announced the following committee assignments.

Knutson will continue as Chair of the **Program Committee** and Reynold will be Vice-Chair. All commissioners are assigned to be members.

Steve Sugden was appointed to chair the **Legislative Committee** with Gary Anderson as Vice-Chair. Committee members are Christensen, Dienes, Hergott, Huggenberger, Rains, Steffen, Amen and Sugden.

Smathers will continue as chair of the **Comprehensive Planning Committee** and Brian Barels will continue as Vice-Chair. Committee members are Batie, Clouse, Hadenfeldt, Kraus, Rexroth, Reynolds and Smith.

PROGRAM COMMITTEE

A separate Program Committee meeting was not held, so staff led the discussion on agenda topics pertaining to program activities. No unusual activity was reported during discussion of the following funds.

Resources Development Fund

No unusual activity since the November report.

Small Watersheds Flood Control Fund

The only activity in this fund since the last report was the addition of two months accrued interest.

Soil and Water Conservation Fund Program

Normal activity since the last report. In response to a question from Anderson, Richters explained that there is not a concern about reallocations at present as reimbursement activity typically peaks in April and May.

Natural Resources Water Quality Fund

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

Water Well Decommissioning Fund

Payments are being made as the requests come in.

Interrelated Water Management Plan Program Fund

No unusual action, fund terminates on June 30th, 2015.

Water Sustainability Fund

No action, commission continues rules drafting process.

LEGISLATIVE COMMITTEE

Chair Sugden reported that several Commissioners had met with Senator Watermeier to discuss two bills the senator had introduced to provide additional funding for the existing Resources Development Fund Projects. Sugden stated the Senator recommended the Commission take its time drafting rules for the Water Sustainability Fund and be sure the rules are done right.

Rexroth encouraged Commissioners to continue lobbying individual senators but noted that unless the Commission as a whole formally takes a position, commissioners can't present their own views as Commission's position. Rexroth stated that this may be an appropriate topic for a future meeting.

COMPREHENSIVE PLANNING COMMITTEE

Sievers identified several items in the draft Water Sustainability Fund (WSF) rules that were recognized as needing additional discussion.

Committee Chair Smathers reported that the Committee had met on January 21st, 2015, and notes from that meeting had been emailed to each Commissioner. Zimmerman highlighted key discussion points from that meeting:

- Commission members do not share common definitions for some of the terms used in the draft rules.
- A project funding approach must be defined. Concepts discussed were fully funding a project at the time of approval versus funding portions of the project over time. Per the committee's request, a spreadsheet was prepared by staff to show how the two methods might work. The example included projects which scored the same and options for dealing with applications for more assistance than is available at the time the project is considered. Either of these funding approaches is workable, but the Commission needs to decide which to use.
- The methodology for scoring an application must include the situation where an applicant is required or chooses to submit multiple applications over time for individual project components. (This is only an issue if projects are not fully funded at the time of approval.)
- Sweeping (returning to unallocated funds) any unexpended project funding after three years.
- After this fund is operational for a year, it is expected that the fund will be appropriated \$11 million per year with \$1.1 million going to a sewer separation project and up to \$1.1 million being set aside for small projects. That leaves at least \$8.8 million per year for the larger projects. If projects are fully funded at the time of approval, this implies an \$8.8 million limit on what applicants can request.

Rexroth questioned the Commission's role and responsibility with respect to the existing Resources Development Fund (RDF) projects, noting need for additional funding and the implications that may have for the WSF and these rules. Smathers responded that the Legislature is considering this topic, and he described a meeting with Senators Schilz, Mello, and Watermeier plus Lorie Lage (Natural Resources Committee Legal Counsel) and Jeanne Glenn (Legislative Fiscal Analyst) at which various legislative options to handle the existing RDF projects were discussed.

It was also stated that a hearing on the proposed rules is required by state law to take place by April 17th, 2015. To meet this requirement, the Commission can forego the optional informal public input step and proceed with the formal review period and hearing.

The Commission began the process of going through the draft rules, page by page and line by line, discussing and making additional changes. This review process was not completed and it was decided to continue at the next Commission meeting. Sievers was asked to update and distribute this updated version of the draft rules prior to the next meeting.

MEETING DATES

Knutson moved and Sugden seconded the motion to set five meeting dates: February 20; March 6th; June 16th & September 29th 2015; and January 27th, 2016.

Motion Passed.

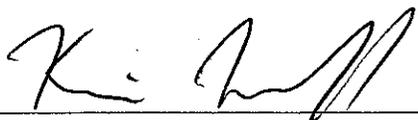
Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen	X				Kraus	X			
Anderson	X				Palm	X			
Barels	X				Palmertree	X			
Batie	X				Rains	X			
Christensen	X				Rexroth	X			
Clouse	X				Reynolds	X			
Deines	X				Smathers	X			
Fornoff	X				Smith	X			
Hadenfeldt	X				Steffen	X			
Hergott	X				Strauch	X			
Huggenberger	X				Sugden	X			
Kadlecek	X				Taylor	X			
Knutson	X				Thompson	X			
Kosman	X				TOTALS	27	0	0	0

ANNOUNCEMENTS / OTHER BUSINESS

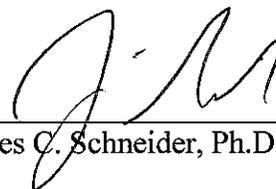
- The next meeting agenda will be limited to the Water Sustainability Fund rules drafting process.

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The meeting was adjourned at 4:16 p.m.



Kevin Fornoff, Chair



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