

# NEBRASKA NATURAL RESOURCES COMMISSION

MEETING MINUTES – March 6, 2015

Holiday Inn – 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)		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:

Jim Schneider, Rex Gittins, Kent Zimmerman and LeRoy Sievers

## Others in attendance were:

Hon. Tom Carlson, Steve Cogley, Hastings Utility, Marlin Petermann, P-MRNRD, John Heaston, The Nature Conservancy, Mike Clements, LRNRD, Lyndon Vogt, CPNRD, Brandi Flyr, EA, and Russell Callen, LLNRD

## CALL TO ORDER, ROLL CALL

Commission Chairman Fornoff called the meeting to order at 8:00 a.m. at the Holiday Inn, 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](http://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. NRC (redline) Draft Rules Title 261
3. NRC Decision Flow Chart 2015
4. Petermann Letter 3/6/2015
5. Potential Definitions for Terms in WSF Draft Rules
6. Other Considerations
7. Process for Funds Distribution

**MINUTES**

**Kraus moved and Smathers seconded the motion to approve the minutes of the February 20, 2015 Commission meeting.**

Commissioner	Aye	Nay	Abstain	Absent	Commissioner	Aye	Nay	Abstain	Absent
Amen	X				Kraus	X			X
Anderson	X				Palm				
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	<b>TOTALS</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>5</b>

Former Senator Tom Carlson of District #38 made the following announcements:

- Barrels, Strauch, he and others had met with governor Ricketts on March 4<sup>th</sup> to begin the search for a good candidate for the new Director of DNR.
- After speaking with Governor Ricketts he felt good about the Governor's attitude regarding both the importance of this position and about obtaining water sustainability.
- Carlson encouraged Commissioners to testify before the Legislature's Appropriations Committee on March 12<sup>th</sup> to complete funding to the RDF projects that have been approved but not funded by funding more money to RDF aside from the Water Sustainability Fund.

**COMPREHENSIVE PLANNING COMMITTEE**

Committee Chair Smathers opened the discussion by outlining the following key topics to be discussed.

#### NRD comments presented by Marlin Petermann

Petermann handed out a letter dated March 6, 2015, and offered the following comments on behalf of the NRD managers.

- Use the “fund as you go option” outlined on the NRC Decision Flow Chart.
- Create a separate category for Small Projects (↓ \$250,000) and rank them against themselves. Set aside 10% of the Fund for this category.
- For multi-year Small Projects use a system like the Nebraska Environmental Trust (NET) whereby funds are committed on an annual basis in future years and that they receive a priority for funding in future years. This would allow a number of projects to be going at once. Do not limit projects to three years.
- Use the “fund as you go” option outlined on the NRC Decision Flow Chart for the Large Projects utilizing the remaining funding as well as shifting any not used in that year from the combined sewer overflow and small projects category.
- Use a system like the RDF system with annual obligations being made by the Commission each year based upon priority date, project score and need. Use only one initial approval and set aside the total dollar needs under a “cap”. Do not specify obligation amounts up front because of the variability in needs required to complete a project.
- Request a “cap” be set, the managers recommend \$100 million.
- Set a fixed cost share at 60%.

Chairman Smathers asked Peterman how the managers would like it handled if there is insufficient funds to approve (Obligate) the next highest scored project, wait until next year or give them part of their request. Petermann recommended not reducing the % cost share but rather put a limit on the dollars they could receive; and if a project comes in that would exceed the “cap” (Allocation) don’t approve that project. Smathers noted concern among committee members if the project with the next highest score would fit under the “cap”.

#### NRC Decision Flow Chart March 2015

Chairman Smathers used an informal hands-up vote on key decision points described below. This information will be incorporated into the next rules draft as red line additions and changes.

#### **Combined Sewer Overflow Project**

Assign 10% of the current year WSF appropriation to the project. If more than 1 project, split the 10% proportionally based upon population served. In the event that there is no application

filed or none meet the eligibility requirements that year, this 10% will be made available to the other applications.

### **Small Project Applications (↓ \$250,000)**

Application scores will be ranked against each other in this category. After approving applications in order of highest score first, projects will be fully funded at the time of approval, until there is insufficient money to fully fund the next, that project will be partially funded and will be given dibs on any funding received in the future.

Using an allocation and obligation system, the projects would receive the full amount requested in both allocation and obligation at the time of approval, until there is insufficient obligation to approve another. At this point, if the "cap" is  $> \$0.00$  the project would be fully allocated, but only obligated the amount remaining in the category. Assuming the Fund receives an appropriation in the future this project would receive the remaining obligation before approving any new applications. In the event that not enough applications are filed to utilize all of the funding set aside into this category or that the Commission deems the remaining applications unworthy to be approved, any remaining balance of either allocation or obligation would be made available to the other applications.

### **Other Applications**

Projects in this category will be funded over time by first obligating the amount of money requested or deemed appropriate by the Commission, for the next consecutive year for projects approved in previous years. New applications will then be approved in order of score starting with the highest by allocating the total amount requested in the application and obligating the amount of money requested in the application for the first year until there is insufficient allocation for the next. That project will receive what is available and "dibs" on funding in the future if and when any is appropriated to the Fund.

Using an allocation and obligation system, the projects would be approved and allocated the full amount requested (for example \$10X). The project may also receive an obligation (\$2X). Then in subsequent years the Commission may award additional obligations to the project until the project has a total of \$10X obligated to it. This works well when there is a "cap"  $> \$0.00$ . If the "cap" is  $= \$0.00$ , which it is now, allocation = obligation.

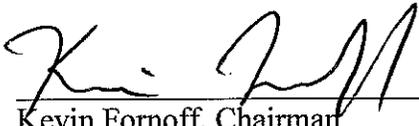
### **Other Considerations**

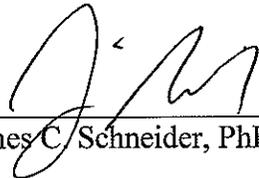
- One or more committees will perform the scoring process then submit scores and make recommendations to the full body of the Commission. At that point it would take 14 votes to adopt or revise the recommendations of the Committee.
- No changes were made to the draft points in the application scoring system.

- Public information meetings will be held March 25<sup>th</sup> in Kearney, 26<sup>th</sup> in Scottsbluff and the 30<sup>th</sup> in Lincoln so that people can have an idea what the draft rules are so that they can make good intelligent comments at the public hearing.

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The meeting was adjourned at 2:20 p.m.

  
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Kevin Fornoff, Chairman

  
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James C. Schneider, PhD, Acting Director