

Water Funding Task Force Meeting

November 7, 2013 | Norfolk Lodge and Suites; Norfolk, Nebraska

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 8:00 a.m. at the Norfolk Lodge and Suites; Norfolk, NE. Roll call was taken.

Task Force members in attendance were:

Voting Members:

Clint Johannes, **Chairman**, *NRC*
Garry Anderson, *NRC*
Joel Christensen, *MUD*
Beverly Donaldson, *NRC*
Richard Hadenfeldt, *NRC*
Joseph Hergott, *NRC*
Thomas Knutson, *NRC*
Dick Mercer, *NRC*
Darrell Rains, *NRC*
Gerry Dale Sheets, *Public Power & Irrigation Districts*
Jeff Steffen, *NRC*

Roric Paulman, **Co-Chairman**, *Agriculture*
Brian Barels, *Public Power*
Stan Clouse, *NRC*
Kevin Fornoff, *NRC*
John Heaston, *Wildlife Conservation*
David Kadlecek, *NRC*
Tim Luchsinger, *Municipalities*
Rex Peterson, *Livestock Producers*
Michael Reynolds, *NRC*
Scott Smathers, *Outdoor Recreation Users*
Dennis Strauch, *Irrigation Districts*

Non-Voting Members:

Senator Tom Carlson
Senator Al Davis
Senator Dan Watermeier

Senator Mark Christiansen
Senator Rick Kolowski
Brian Dunnigan

There was one alternate in attendance, Rich Panowicz for Lennie Adams.

The following members were absent: Lennie Adams, Dave Deines, Chandler Mazour, Keith Rexroth, Steven Sugden, Senator Ken Schilz.

NOTICE OF THE MEETING

Notice of the meeting was published on the Department of Natural Resources web site (www.dnr.ne.gov/lb517).

INFORMATIONAL MATERIALS

The following informational materials were distributed for the Thursday, November 7th session:

- Agenda
- Draft minutes for October 31 meeting.
- Draft Levy Numbers
- Kadlecek Commission Representation Handout
- Funding Source Revenue Estimate
- Recommended Funding Options – Draft
- NRD Fund Financial Status
- Commission Representation Survey Tally
- Texas Prop 6
- LB517 Funding Levels Presentation
- Public Comment from Jay Rempe and Stu Luttich

WELCOME AND INTRODUCTION

Clint Johannes stated that notice of the meeting was published on the Department of Natural Resources web site (www.dnr.ne.gov/lb517). A copy of Nebraska's public meeting statutes was available in the room.

Mr. Johannes requested that anyone wishing to provide public comment at today's meeting please sign the "Speaker" sign-in sheet at the sign-in table.

MEETNG MINUTES

The minutes of the October 31, 2013 meeting were presented.

Scott Smathers moved and Stan Clouse seconded the motion to approve the October 31, 2013 Task Force meeting minutes. The motion passed unanimously by roll call vote.

TASK FORCE WORKING SESSION: Funding Options

The Task Force discussed an idea presented at the previous session. This was the idea to support a request separate from the 517 funding that would complete the projects currently approved but not funded. At the last session the amount of this allocation needed clarification which was provided to Task Force members. Approximately \$27 million dollars is needed to complete the projects currently approved but not funded.

The Task Force discussed the proposal to recommend a select legislative committee. The senators on this committee would be advisory and composed of the chairman of the current legislative committees such as appropriations and revenue. The committee would meet with the commission to hear about water projects and funding needs. The Task Force reached consensus to recommend a select legislative committee.

Mike Sotak, Fyra Engineering, presented information related to funding needs. This was created from existing lists from Municipalities, Irrigation Districts and NRDs. This information was helpful in thinking about a funding amount to recommend for water sustainability projects. The presentation is available on the DNR website (www.dnr.ne.gov/lb517).

Break

TASK FORCE WORKING SESSION: Funding Options

Laurie Lage, Natural Resources Committee Legal Counsel presented information on the Task Force recommendation related to funding options. An important consideration for the Task Force as they considered the annual funding recommendation was the amount of money that could be generated by each of the resource opportunities they reached consensus on at the last session.

The Task Force reached consensus on a recommended annual funding amount of \$50,000,000 (fifty million dollars).

They then refined the funding resource opportunities list dropping the 1/4¢ sales tax and the Bottle Deposit idea, retaining the following:

- Removing the sales tax exemption from bottled water and perhaps pop
- A Severance Tax (sand and gravel discussed the most, but oil and gas also mentioned)
- An Excise Tax on Ethanol
- A Fertilizer Tax (both commercial and residential use, essentially all fertilizer)
- A 1/8¢ Portion of Existing Sales Tax Dedicated to Water Projects
- Establishing a Revolving Fund

Lunch

TASK FORCE WORKING SESSION: Structure and Administration

The Task Force arrived at consensus that any new LB517 funds should be administered through DNR.

The Task Force continued facilitated discussion on the Structure and Administration of the Water Sustainability Program.

Break

The Task Force continued discussion of representation. No consensus was reached.

Task Force members were asked to provide ideas related to projects that illustrate the idea of water sustainability. The following were offered:

- J2
- Dams in the Republican Basin
- Buy-out of Irrigation Districts
- Dams related to Omaha and Lincoln water supply

PUBLIC COMMENT

- Mel Brozel, Mirage Flats Irrigation
- Jay Rempe, Farm Bureau
- Scott Japp

Individuals from the community present during the meeting included:

- Terry Julesgard, *LNNRD*
- Marlin Petermann, *PNRBRD*
- Jeff Buettner, *CNPPID*
- John Miyoshi, *LPNNRD*
- Jay Rempe, *Farm Bureau*
- Irv McQuarrie, *Invest Tune Retire, LLC*
- Mel Brozel, *Mirage Flats Irrigation*
- Butch Kochlmoor, *Lower Loup NRD*
- Thomas Riley, *Upper Elkhorn NRD*
- Dennis Schueth, *UENRD*
- Ron, Cacek, *NPNRD*
- Stan Staab, *LENRD*
- Dave Bloomfield, *Nebraska Legislature*
- Scott Beckman
- Dustin Wilcox, *NARD*
- Dean Edson, *NARD*
- Pat O'Brien, *UNWNRD*
- Mike Murphy, *UNWNRD*
- Annette Sudbeck, *LCNRD*
- Rachael Herpel, *University of Nebraska*

Meeting recessed for the day at 3:30 PM

The Water Funding Task Force reconvened at 8:00 AM on Friday, November 8, 2013 at the Norfolk Lodge and Suites; Norfolk, Nebraska.

CALL TO ORDER AND ROLL CALL

The meeting was called to order at 8:00 a.m. Roll call was taken.

Task Force members in attendance were:

Voting Members:

Clint Johannes, **Chairman**, *NRC*

Brian Barels, *Public Power*

Stan Clouse, *NRC*

Kevin Fornoff, *NRC*

John Heaston, *Wildlife Conservation*

David Kadlecek, *NRC*

Rex Peterson, *Livestock Producers*

Michael Reynolds, *NRC*

Jeff Steffen, *NRC*

Roric Paulman, **Co-Chairman**, *Agriculture*

Joel Christensen, *MUD*

Beverly Donaldson, *NRC*

Richard Hadenfeldt, *NRC*

Joseph Hergott, *NRC*

Thomas Knutson, *NRC*

Darrell Rains, *NRC*

Scott Smathers, *Outdoor Recreation Users*

Dennis Strauch, *Irrigation Districts*

Non-Voting Members:

Senator Tom Carlson

Senator Al Davis

Senator Dan Watermier

Senator Mark Christensen

Senator Rick Kolowski

Brian Dunnigan

Rich Panowicz attended as an alternate for Lennie Adams.

The following members were absent: Lennie Adams, Garry Anderson, Dave Deines, Tim Luchsinger, Chandler Mazour, Dick Mercer, Keith Rexroth, Gerry Dale Sheets, Steven Sugden, Senator Ken Schilz.

EDUCATION SESSION - Morning

- Sue Lackey, University of Nebraska, Conservation Survey Division presentation. The presentation is available on the DNR website (www.dnr.ne.gov/lb517).
- Stan Staab, General Manager, Lower Elkhorn Natural Resources District. The presentation is available on the DNR website (www.dnr.ne.gov/lb517).
- Dennis Schueth, General Manager, Upper Elkhorn Natural Resources District. The presentation is available on the DNR website (www.dnr.ne.gov/lb517).

Break

TASK FORCE WORKING SESSION – Morning

Karen Griffin reviewed the draft timeline and phasing for implementation of the Task Force recommendations.

EDUCATIONAL SESSION

Jeff Buetner, discussed J2. His presentation can be found on the Department of Natural Resources web site (www.dnr.ne.gov/lb517).

PUBLIC COMMENT

- Marlin Peterman
- Loran Schmit, *Association of Nebraska Ethanol Producers*

Individuals from the community present during the meeting included:

- Terry Julesgard, *LNNRD*
- Loran Schmit, *Association of Nebraska Ethanol Producers*
- Mel Brozel, *Mirage Flats*
- Tom Moser, *LCNRD*
- Thomas Riley, *UENRD*
- Ron Cacek, *NPNRD*
- Jeff Buettner, *CNPPID*
- Dustin Wilcox, *NARD*
- Tom Nathan
- Dennis Schueth, *UENRD*
- Ken Rentzman, *LENRD*
- Marlin Peterman, *PMRNRD*

Meeting adjourned at 12:00 p.m.