### Natural Resources Committee November 05, 2009

#### [CONFIRMATION]

The Committee on Natural Resources met at 1:30 p.m. on Thursday, November 5, 2009, in Room 1507 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a hearing on gubernatorial appointments. Senators present: Chris Langemeier, Chairperson; Annette Dubas, Vice Chairperson; Tom Carlson; Tanya Cook; Beau McCoy; and Ken Schilz. Senators absent: Deb Fischer and Ken Haar. [CONFIRMATION]

SENATOR LANGEMEIER: It is a little past 1:30. We will open the confirmation hearings as posted on the door that says the Natural Resources Committee. My name is Senator Chris Langemeier, the Chairman of the Natural Resources Committee, I'd like to introduce the committee. We'll start at this side for a change. I'd like to introduce those around the table. We have Senator Beau McCoy from Elkhorn, Nebraska; Senator Haar will not be with us, I don't believe; and then we have Senator Cook from Omaha, Nebraska; then we have Senator Carlson from Holdrege; and Senator Fischer will be joining us later. To my left we have Laurie Lage, the legal counsel for the committee. Then we have Senator Annette Dubas from Fullerton, Nebraska, and she's also the Vice Chair of the committee; and then to her left is Senator Ken Schilz from Ogallala, Nebraska. One other member we do have...oh, he's over there now, Senator Haar is normally on that side. I was like, Senator Haar is going to be gone but I already told you that. And at the end of the table we have Barb Koehlmoos who is the committee clerk for the Natural Resources Committee. We are going to try and take these kind of in order on the sheet. However, the first three are via conference call and so we will take those that are on first to get through that. At this time I would ask for you to turn your cell phones off if you have them so we don't disrupt the hearing. For those of you in the crowd, in the corner of the room was a green sheet like this. We ask everybody that testifies, even the potential confirmationee, whatever, I can't even say it, you need to fill one of these out so we have your name correctly in the record. And then if you're here and you want to show support, there's this sheet in the back. If you don't want to testify on behalf of an individual, you can fill this out and we will have you on record as in a support or opposition to the confirmation. At this time when we ask you to start, we'd like you to say and spell your first and last names so the transcribers get it correct for the record, and we want to make sure that is right. So at this time, with no questions, I think I have Dr. Williams, is the second one on the sheet that she is on. And Dr. Williams, welcome to the confirmation hearing. You've been appointed to the Environmental Quality Council and you're going to hear it come down on us. And would at this time, we'd recognize you to tell us a little bit about yourself and your appointment. [CONFIRMATION]

ETHEL WILLIAMS: (Exhibit 1) Okay. My name is, first name is Ethel, E-t-h-e-l, last name is Williams, W-i-l-l-i-a-m-s. I am currently chair of the Master of Public Administration program at University of Nebraska-Omaha. Other information you'd like?

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### [CONFIRMATION]

SENATOR LANGEMEIER: That's a good start. Now, is...are there questions from the committee at this point? None. Can you tell us a little bit, is this a reappointment? [CONFIRMATION]

ETHEL WILLIAMS: No. This is a first-time appointment. [CONFIRMATION]

SENATOR LANGEMEIER: Okay. With that said, what...we'll ask some questions. What makes this appointment intriguing to you or what do you feel your role is with the Environmental Quality Council? [CONFIRMATION]

ETHEL WILLIAMS: I think my role as a member of the Council is to help to define legislation, make sure that legislation is administered properly. I have thoroughly gone through the Web site for the Department of Environmental Quality, understand its major divisions and some of the programs that it administers and legislation that it is responsible for. What I think I bring to this appointment is the fact that I have over 20 years teaching experience in public administration where I teach students to understand and define legislation as well as their responsibility in public management. I know not a lot about environmental quality, but it will also be a learning position for me, but I am an advocate for maintaining our environment. Hopefully, that's helpful. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. Are there any other questions from the committee? Seeing none, we would thank you very much for your testimony and we will let you go at this time. Unless it... [CONFIRMATION]

ETHEL WILLIAMS: Thank you very much. I hope that was helpful. I am in the middle of another meeting, but if you need to call me back you have my number and my secretary will run and get me. [CONFIRMATION]

SENATOR LANGEMEIER: We appreciate that very much and have a great day. [CONFIRMATION]

ETHEL WILLIAMS: Thank you. Bye. You too. Bye-bye. [CONFIRMATION]

SENATOR LANGEMEIER: Thank you, Dr. Williams. Now we will open the discussion up for...is there anyone that would like to testify on behalf of the appointment of Dr. Williams to the Environmental Quality Council? Is there any...seeing none, is there anyone that would like to testify in opposition? Seeing none. Is there any that would like to testify in a neutral capacity? Seeing none, we'll conclude the hearing on the appointment of Dr. Williams to the Environmental Quality Council. Now we'll go back to our list. I'd like to...Thomas Sonntag, you've been a...I take it you're on, Thomas? [CONFIRMATION]

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THOMAS SONNTAG: I'm on the line. [CONFIRMATION]

SENATOR LANGEMEIER: Yes, great. You have been appointed to the Nebraska Oil and Gas Conservation Commission. [CONFIRMATION]

THOMAS SONNTAG: Yes, sir. [CONFIRMATION]

SENATOR LANGEMEIER: Would you, at this time, would you give us a little bit of your background and what you think your role is on the Oil and Gas Conserv...I can't even say it again. Go ahead. [CONFIRMATION]

THOMAS SONNTAG: Conservation Commission. [CONFIRMATION]

SENATOR LANGEMEIER: There we go. [CONFIRMATION]

THOMAS SONNTAG: (Exhibit 2) Well, this, Senators would be a reappointment. I think I've been appointed twice before. I don't really know that much about oil and gas, but I am a trial lawyer and I know how to conduct a hearing. We do have evidentiary hearings periodically. I know a little bit about the rules of evidence and I run the hearing and I'm familiar with rules of the Oil and Gas Commission or at least I know where to find them. And I think that's what I bring to the Commission more than any expertise in oil and gas exploration or production. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. Are there any questions from the committee? Senator Carlson has a question. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Langemeier. Can...just out of curiosity, has this been consecutive years that you've served on the Commission? [CONFIRMATION]

THOMAS SONNTAG: Yes. [CONFIRMATION]

SENATOR CARLSON: Okay. How does one go about showing an interest in or being considered for the Commission? [CONFIRMATION]

THOMAS SONNTAG: You know, that a very good question. My name was offered up by someone else. It may be that the...it may be that people in the industry put up names. I think my name was put up by the former director. His name escapes me now but the current director, William Sydow, I'm sure, has suggested that I be reappointed. [CONFIRMATION]

SENATOR CARLSON: Okay. Thank you. [CONFIRMATION]

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THOMAS SONNTAG: I would say that the Commission office is in Sidney and that is where we have our Commission hearings, and I live in Sidney. So I guess I'd probably be the cheapest commissioner. I don't have to charge mileage or meals or lodging (laughter) in order to do my business with the Commission. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. Are there any other questions? Seeing none. At this time we'd like to thank you, Mr. Sonntag, for your coming to us via the telephone. We appreciate it. [CONFIRMATION]

THOMAS SONNTAG: Okay. I'll get off then. Thanks a lot. [CONFIRMATION]

SENATOR LANGEMEIER: Thank you. You bet. Have a great day. [CONFIRMATION]

THOMAS SONNTAG: You bet. Bye. [CONFIRMATION]

SENATOR LANGEMEIER: Is there anyone that would like to testify in support of the nomination? Is there anybody that would like...seeing none. Is there any that testify in opposition? Seeing none. Anybody in neutral testimony? Seeing none. That will close the hearing for the appointment of Thomas Sonntag to the Oil and Gas Conservation Commission. Now we'll move on to Rick who has been on here the longest. Rick Morehead has been, Morehouse, excuse me, has been appointed to the Nebraska Power Review Board. Welcome, Rick, and do you want to tell us a little bit about yourself and your appointment? [CONFIRMATION]

RICK MOREHOUSE: (Exhibit 3) Thank you. I have been appointed as the accountant member of the Nebraska Power Review Board. I have practiced public accounting in the past. I was a partner in a regional CPA firm. About 15 years ago I got into financial planning. I'm a CPA and a CFP. This is a repeat performance for me. Back in '96 I was initially appointed and I sat out for a little over one term and now I have an interest in being reappointed to this first term of the two-term limit. I think the main reason I applied was that my first experience was quite a learning experience in...I think it's worthwhile service to the state of Nebraska and the citizens of Nebraska. And I think that the energy topic is one of the hottest buttons out there. It's going to be a very interesting thing to watch. We don't legislate, but we certainly are interested in the topic and make sure that the laws of the state are imposed appropriately in the hearings that take place. Just an interest that I have. I also have family members down in the Lincoln area so it gives me an opportunity to get down and see them also. [CONFIRMATION]

SENATOR LANGEMEIER: Honesty, I like that. Are there any questions from the committee? Senator Carlson has a question. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Langemeier. Now when you get to be my age you blank out and then you forget the question you were going to ask, so bear with

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me a minute. Ask somebody else, it will come back again. I hope. (Laughter) [CONFIRMATION]

SENATOR LANGEMEIER: Senator Carlson as he prepares his question, Senator Dubas would like to ask you a question. [CONFIRMATION]

SENATOR DUBAS: Thank you very much, Senator Langemeier. Thank you, Mr. Morehouse for visiting with us today. [CONFIRMATION]

SENATOR CARLSON: I got it. [CONFIRMATION]

SENATOR DUBAS: Write it down. (Laughter) You did mention that, you know, definitely energy is a hot topic these days, in particularly renewable energy. Is...you know with us being the only 100 percent public power state in the nation, we have some unique challenges to deal with if we want to bring renewable energy into that mix. Is that something that you have a strong interest in? [CONFIRMATION]

RICK MOREHOUSE: Absolutely. I think that any of us who don't have an interest in renewable energy must have been asleep for the last 50 years. I think now, again, my role on the Power Review Board will not be to legislative, but...and in my prior service there was some restrictions on renewable energy just because of some of the rules required by state statute. But I think that whole aspect of things is kind of broadening and yeah, absolutely, it's...and the wind energy is probably the hottest topic, but I think that we have to look beyond just the wind in that renewable resource arena. So, yes, absolutely, very interested in that area. [CONFIRMATION]

SENATOR DUBAS: Well, you definitely as a Power Review Board member, you know, you have to work within, of course, the rules and the regs. And so as we move forward cautiously making those changes to the rules and regs, all the while mindful that we don't want to undermine public power, I think, you know, your input is of value. So I appreciate your willingness to serve and thank you for your time. [CONFIRMATION]

RICK MOREHOUSE: Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: Senator Carlson has a question for you. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Langemeier. What do you see as the strength of our public power system? And then a little more specifically, following up what Senator Dubas has asked, how do you see wind power fitting into public power? [CONFIRMATION]

RICK MOREHOUSE: Well, I view our position in the state of Nebraska as pretty enviable by a lot of other states. I believe we're about the fifth lowest cost in energy to

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the consumer. That, again, is a huge thing. Now our local paper a couple of weeks ago had an editorial that was pretty critical...some of the public power providers in the, well, we've got the, I think we're like the fifth or sixth most likely state to be able to use wind power, why aren't we more involved in it. Without question to think that we need to be the lowest price or should be the lowest cost state in the union when we have hydro in so many states and coal production in coal producing states, can produce power much more cheaply than what we can, I think we do pretty darn good to have the position we do as far as costs. One of the things I appreciate about energy and public power in the state of Nebraska is, now this is getting kind of to be a personal issue of mine. I think that the corporate citizens that we have in public power are pretty darn beneficial to our communities. They tend to be reasonably well paying employers. They are involved in our communities. They do a good job. Safety is an issue with every one of them that I have seen anyway. I am pretty proud to be able to say that I live in a state that has public power and unlike so many things that it seems like when we regulate things to death, it gets more expensive. We've got a low cost state that we live in and that's pretty, pretty high-powered as far as I'm concerned. So I like the corporate citizenry that comes from public power. I like the cost that I enjoy compared to many other states, and the opportunity to keep that cost down and that gets back to the wind power specifically. Not all of you can appreciate. Now I know up in Cherry County and the folks who...or the senator that represents the Banner area, you guys know what winds all about. That's a resource that we need to be taking advantage of. But we have to also temper that with the fact that it's great for when the wind blows but when the winds not blowing, it's doesn't generate any power. So balancing all things, I think, but to ignore that resource would be a travesty. [CONFIRMATION]

SENATOR CARLSON: Thank you. Good answer. And I think it is vitally important that we maintain our position on reasonable power rates, so thank you. [CONFIRMATION]

SENATOR LANGEMEIER: Thank you, Senator Carlson. Are there any other questions? Seeing none. Mr. Morehouse, thank you very much for your testimony. [CONFIRMATION]

RICK MOREHOUSE: Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: We appreciate you coming via the phone lines. [CONFIRMATION]

RICK MOREHOUSE: Very good. Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: And have a great day. [CONFIRMATION]

RICK MOREHOUSE: Thanks. [CONFIRMATION]

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SENATOR LANGEMEIER: Is there anyone that would like to testify on behalf of the appointment of Mr. Morehouse to the Nebraska Power Review Board? Seeing none. Is there anyone that would like to testify in a neutral capacity...or excuse me, in opposition? Seeing none. Anyone want to testify in a neutral capacity? Seeing none. That will close the hearing on the appointment of Mr. Rick Morehouse to the Nebraska Power Review Board. Moving down the sheet here, we have a Michelle Siedschlag with the, oh, excuse me, Michael...yeah, I've got the right sheet. Michael Siedschlag with the Nebraska Power Review Board. And I talked to him a little bit ago. Welcome back. [CONFIRMATION]

MICHAEL SIEDSCHLAG: (Exhibit 4) Thank you. I'm Mike Siedschlag, it's M-i-c-h-a-e-l, Michael, Siedschlag, S-i-e-d-s-c-h-l-a-g. Born in Norfolk, Nebraska, I've lived most of my life in Omaha and so I'm a born and raised Nebraskan. Educated with an engineering degree at the university here, and this would be a reappointment for me for the second four-year term for the Power Review Board. This year I chair that board. It's been very interesting and exciting with a lot of the energy interest that's going on in the country that you folks have already acknowledged. Another interesting fact is that, you know, several of our utilities have joined the Southwest Power Pool and the states each get a regulator on the Regional State Committee. And, you know, I am our state representative on that committee for the Southwest Power Pool just by virtue of how our state is structured with the Power Review Board. And that poses some interesting challenges in adding transmission to the central part of the country, how that affects Nebraska, and our future opportunities with our energy. And it's been very interesting, exciting, and Tim Texel, our executive director, has taken on the challenge to support us with that too, so. Just a little background on what's going on there, so. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. Are there any questions? I do have one. [CONFIRMATION]

MICHAEL SIEDSCHLAG: Good. [CONFIRMATION]

SENATOR LANGEMEIER: You brought up the Southwest Power Pool. I get...as you know, that we're living in this world right now, learning more about the Southwest Power Pool than I ever thought when I was born I'd ever need to know. I'm getting mixed reviews, though, in our participation in that regional location. Do you have thoughts to that or are there still...? There seems to be some confusion to our true role or what we got into or... [CONFIRMATION]

MICHAEL SIEDSCHLAG: Sure. You know, I think the issues are going to...the major issue is cost allocation. You know, we're pooling our resources between the different utilities and states and that Power Pool to provide the most reliable system that we can in our energy movement, and also a future. As, you know, we develop more and more

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wind resources, that puts a huge burden on transmission to move that energy around when its available and so there's a cost associated with building those transmission lines. And one of the reasons our utilities joined that Power Pool is they seemed to be very progressive in their cost allocation based on benefits in their portfolio for reliability. And however when we move into the highway, interstate highway system of moving power which may be excess power or potentially outside of the area to other people that may want to buy renewable energy, you're starting to build some lines that, you know, the question is, are those paid for regionally or are they paid for by the actual benefit? And so the Pool is struggling with that right now on what those cost allocations should be. And I think our utilities' questioning comes along the line, are we going to be treated fairly in those cost allocations according to the benefits that we will receive? And I think there's a lot of discussion, a lot of debate going on, that continues. And I think it will continue. Personally, I feel like we'll get it worked out. I think people are willing to do that. And I think we'll get there. We hope to get there. I don't think any of our utilities would want to pull out or change that if we don't have to. So, I think, we're trying to be at the table and assure that we get a good cost allocation that has a good benefit to the state, so. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. The second questions I have is, as we continue to see more and more maps from the Southwest Power Pool on this big overlayment of new transmission, the majority of the map seem to be loops per se around Nebraska into Kansas, into Oklahoma and just touching to the north part of Texas as that gets out of the Southwest Power Pool. I don't see a lot of direction to take that east, more so than just around within the Southwest Power Pool. Are we going to...is that a discussion point is where we're going to need this power is in the east? And are we just going to look at trying to get us all connected versus sending it somewhere? [CONFIRMATION]

MICHAEL SIEDSCHLAG: Right. That is being done...the federal government through the Department of Energy has \$80 million out right now providing dollars for interconnect studies. And when you look at the eastern interconnect, the western interconnect and ERCOT, the sovereign state of Texas's own utility, we need to know those interconnect issues first. And there are studies being done by the other regional transmission organizations in the same manner to move not only renewable energy around their own transmission organization, but also the interconnect issues as we move it across. So the federal government has at least stepped up to the plate and is providing those studies and the transmission organizations are working together to get those interconnect studies together. And that has to be the first part of the backbone of the 765 interstate highway, is the term we're kind of using for that. That will have to develop out of that. But, you know, it's interesting too that we have to recognize that there was letters put out by the northeast governors that said, we don't want to buy your renewable energy. We're going to do it ourselves. You know, they're getting hydro power, and they're going to do offshore wind. I mean, we're Americans, after all, and people tend to want to take care of their own issues. So I think we do want to take

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advantage of the resource. We do want to be able to move it as it's appropriate and I think...but the federal government has to take the leadership in that major highway system because, you know, states and as individuals in a local basis, we can't take on that challenge. We have to have that help from them, so. And watch this paradigm unfold in front of us, so. It's very interesting. Excellent questions. [CONFIRMATION]

SENATOR LANGEMEIER: That it is. That it is. Are there other questions? Seeing none, thank you very much for your testimony. We appreciate it and wish you the best as you continue serving. [CONFIRMATION]

MICHAEL SIEDSCHLAG: Thank you. It's something that's very enjoyable to do. [CONFIRMATION]

SENATOR LANGEMEIER: Is there anyone that would like to testify in support? Seeing none. Is there anyone that would like to testify in opposition? Seeing none. Anyone that wants to testify in neutral capacity? Seeing none. That concludes the appointment hearing for Michael Siedschlag for the Nebraska Power Review Board. We will now move on to who I tried to jump over once before is, now we're to Michelle Bucklin with the Environmental Quality Council. Welcome. [CONFIRMATION]

MICHELLE BUCKLIN: (Exhibit 5) Good afternoon. It's Michelle, M-i-c-h-e-l-l-e, Bucklin, B-u-c-k-l-i-n. Good afternoon. I think you first wanted a little bit of information about myself. [CONFIRMATION]

SENATOR LANGEMEIER: Tell us a little bit about yourself and why you're seeking this reappointment or appointment. [CONFIRMATION]

MICHELLE BUCKLIN: New appointment. [CONFIRMATION]

SENATOR LANGEMEIER: New appointment. [CONFIRMATION]

MICHELLE BUCKLIN: Okay. Actually I come from the state of Florida and I've been in Nebraska doing environmental work for about 13 1/2 years in the food industry. Prior to that I did a little part-time work on an environmental side in the chemical industry and I'm a professional engineer in the state of Nebraska. And in terms of why I was excited about the appointment...well, one, I mean I am familiar with what the EQC does, testified at some EQC meetings over the years. And I just thought it was a great opportunity to get involved not only with the process, but I think for the most part, you know, I've got experience on the side of applying the regulations. And, you know, obviously, as a member of the community, of course, I have, obviously, a personal vested interest in how those regulations affect the environment that I live in and that my family will live in for generations to come. So, you know, I think, I would like to bring a good balance of, you know, making sure that regulations are meaningful and do what

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they need to do but also making sure there's a balance with how do you apply those and making sure that we still have, you know, room for good business growth and, you know, economic development, so. Hopefully that answers your question in a nutshell. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. If not, they'll ask you a question. [CONFIRMATION]

MICHELLE BUCKLIN: Yeah. [CONFIRMATION]

SENATOR LANGEMEIER: Are there any questions for Ms. Bucklin? Seeing none. Now tell me a little bit about...I always have to ask one. Tell me a little bit, you're a professional engineer, tell me a little bit about what you do. You talked about food safety. What do you do as there, occupation? [CONFIRMATION]

MICHELLE BUCKLIN: Well, no, I'm not directly involved with the food safety programs but aside from just as an employee, we obviously have to all be somewhat familiar and aware of the food safety complaints issues. But on the environmental side, so I've been involved on the industrial side of things with making sure that the facility maintains compliance with environmental regulations. I suppose that's pretty much it...it's the long and short of it. [CONFIRMATION]

SENATOR LANGEMEIER: So it's wastewater and those issues? [CONFIRMATION]

MICHELLE BUCKLIN: Exactly. Air, wastewater, waste. Pretty good...I would say that I have a very good breadth of knowledge across all environmental regulations and in some cases, pretty good depth of knowledge as well. So, hopefully, that will serve well with the committee. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. Are there any other questions? Seeing none. Thank you very much for your testimony. [CONFIRMATION]

MICHELLE BUCKLIN: Thank you very much. [CONFIRMATION]

SENATOR LANGEMEIER: Did a good job. Is there anyone that would like to testify in support? Seeing none. Is there anyone that would testify in opposition? Seeing none. Anyone that would like to testify in neutral capacity? We see none. With that we will close the hearing for Michael, excuse me, I got Michael and Michelle screwed up there, Michelle Bucklin, I apologize, for the Environmental Quality Council. With that, that will close that hearing. The second...the next one will be Joe Citta, Jr., is being appointed to the Environmental Quality Council. Welcome. [CONFIRMATION]

JOE CITTA: Good afternoon. [CONFIRMATION]

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SENATOR LANGEMEIER: We're ready when you are. [CONFIRMATION]

JOE CITTA: (Exhibit 6) Okay. Thank you. Good afternoon. My name is Joe, J-o-e, Citta, spelled C-i-t-t-a. I'm from Columbus, Nebraska. I'm a lifelong Nebraska resident, a graduate of Hastings College back in the early '70s, degree in biology. That's why I'm a biologist by trade. Worked the last 35 years in the environmental arena with Nebraska Public Power District. I'm presently the corporate environmental manager there so take care of all aspects of environmental regulatory and compliance issues. I've also served as a board of directors on the Lower Loup Natural Resources District for the last 20 years and am very active in other conservation, local chairman for the Todd Valley Wetlands Foundation and various local conservation activities within the state. I'm seeking reappointment for my second term with the Environmental Quality Council and I'm presently the vice chairman on the Council. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. Are there any questions? Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Langemeier. Mr. Citta, how many are on the Council? [CONFIRMATION]

JOE CITTA: Sixteen, I believe, are on the Council. [CONFIRMATION]

SENATOR CARLSON: And they're two-year terms? [CONFIRMATION]

JOE CITTA: Four-year terms. [CONFIRMATION]

SENATOR CARLSON: Okay. So we've got nine appointees here and it looks like a whole lot but it's about that...it's about the turnover then, that's... [CONFIRMATION]

JOE CITTA: Um-hum. [CONFIRMATION]

SENATOR CARLSON: ...kind of normal. [CONFIRMATION]

JOE CITTA: Yes, sir. [CONFIRMATION]

SENATOR CARLSON: Kind of for my own information, tell me what the Environmental Quality Council really does. [CONFIRMATION]

JOE CITTA: Well, basically what we do is we approve the environmental regulations for the state of Nebraska. For example, the NDEQ will bring in proposed regulations. Our meeting is actually a public hearing in which we take testimony on the proposed regulations. Some of the regulations are bringing in adopting the federal regulations and

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others are more Nebraska specific regulations that go above and beyond any of the federal. So it's basically to approve, and the regulatory, the environmental related regulations for the state, and through a public process. [CONFIRMATION]

SENATOR CARLSON: Thank you. [CONFIRMATION]

JOE CITTA: Yes, certainly. [CONFIRMATION]

SENATOR LANGEMEIER: Are there any other questions? Our committee has dealt with Joe quite a bit, so. [CONFIRMATION]

JOE CITTA: Yes, sir. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. I think you're off the hook. [CONFIRMATION]

JOE CITTA: Okay. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. [CONFIRMATION]

JOE CITTA: Thank you, Senators. [CONFIRMATION]

SENATOR LANGEMEIER: You bet. Is there any testimony in support? Seeing none. Is there any testimony in opposition? Seeing none. Is there any testimony in a neutral capacity? Seeing none. Very good. That will conclude the hearing for Joe Citta for the Environmental Quality Council. Now we'll open the hearing for...Mark, I hope I don't butcher this, (laughter) Czaplewski? Did I say it right? [CONFIRMATION]

MARK CZAPLEWSKI: That's pretty good. Better than most, as you might guess. [CONFIRMATION]

SENATOR LANGEMEIER: It's been really a pretty long day. So for all of us, it's budget cuts are never a pleasant experience on a day. So, welcome. We're ready when you are. [CONFIRMATION]

MARK CZAPLEWSKI: (Exhibit 7) Thank you. My name is Mark Czaplewski, M-a-r-k, last name is spelled C-z-a-p-l-e-w-s-k-i, and you are not the first to mispronounce that. I'm a native of Loup City, Nebraska, and actually that's a pretty common name around Loup City. I grew up in Loup City, received a Bachelor of Science degree from University of Nebraska at Kearney in biology and I minored in environmental studies. I'm currently a biologist for the Central Platte Natural Resources District out of Grand Island and I'm here in hopes of being reappointed to a second term on the EQC, so. [CONFIRMATION]

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SENATOR LANGEMEIER: Very good. Are there any questions? Seeing none. Oh, Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Senator Langemeier. [CONFIRMATION]

SENATOR LANGEMEIER: He didn't write it down. I didn't see him writing it down yet. (Laughter) [CONFIRMATION]

SENATOR CARLSON: You work with Ron Bishop. [CONFIRMATION]

MARK CZAPLEWSKI: Yes, I do. Ron's my boss. [CONFIRMATION]

SENATOR CARLSON: What kind of a guy is he? (Laughter) [CONFIRMATION]

MARK CZAPLEWSKI: I'm sorry. (Laughter) [CONFIRMATION]

SENATOR CARLSON: No, he's a pretty good guy. [CONFIRMATION]

MARK CZAPLEWSKI: Yes, he is. I would totally agree. [CONFIRMATION]

SENATOR CARLSON: Okay. All right. Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: As the Chairman, I will say you don't have to answer that question. (Laughter) Seeing no other questions, very good. Welcome back. [CONFIRMATION]

MARK CZAPLEWSKI: Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: You did a great job. Continuing to...oh, excuse me, any testimony in support? Seeing none. Any testimony in opposition? Seeing none. Any neutral testimony? No. With that we conclude Mark's hearing for the Environmental Quality Council. We'd open it up for Rodney Gangwish, and I'm not sure that Rodney...oh, yeah, there he is. I was going to say he was going to be a little late. You just made it. Welcome. [CONFIRMATION]

ROD GANGWISH: Thank you. Good afternoon. [CONFIRMATION]

SENATOR LANGEMEIER: We're ready when you are. [CONFIRMATION]

ROD GANGWISH: (Exhibit 8) Okay. Senator Langemeier and members of the committee, I'm...my name is Rod Gangwish. I'm a farmer from Shelton, Nebraska, which is out between Grand Island and Kearney, half way. [CONFIRMATION]

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SENATOR LANGEMEIER: I need to stop...I need you to spell it for me. [CONFIRMATION]

ROD GANGWISH: Okay. I'm sorry. My apologies. [CONFIRMATION]

SENATOR LANGEMEIER: You weren't here for the instructions so you're good. [CONFIRMATION]

ROD GANGWISH: It's Rodney, R-o-d-n-e-y, and Gangwish is G-a-n-g-w-i-s-h. [CONFIRMATION]

SENATOR LANGEMEIER: Thank you. [CONFIRMATION]

ROD GANGWISH: And as I was saying, I'm a farmer. I am involved in a family farming operation at Shelton with my son and my wife and my family and we raise corn, seed corn and soybeans. Most of our corn is seed corn. The seed corn is harvested, the commercial corn is not, and the soybeans were about half out today. So we're...I'm kind of feeling envious about this warm day this afternoon. But I've been involved in, I've been farming since 1974 and been involved in agriculture and agricultural organizations throughout that time and I'm still active in agricultural organizations and you're probably not interested in hearing all about that. But I am being reappointed and I'm not sure what else you would like me to say, but I will just stop there. [CONFIRMATION]

SENATOR LANGEMEIER: That's very good. We have a little experience with your reappointment. We know you, so are there any questions for Rod? Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Langemeier. This is related to environmental quality control but with your background, what do you think about...what are your thoughts about the challenges of water in Nebraska and where should we be heading? [CONFIRMATION]

ROD GANGWISH: That's a question that lots of farmers have on their minds. [CONFIRMATION]

SENATOR CARLSON: I'd say, what are your concerns? [CONFIRMATION]

ROD GANGWISH: My concerns? We happen to live in...where I live two miles north of the Platte River in an area that is blessed with lots of water. We drill a well and we have water, pump water 25 feet. We have other farms that are north of there that have...we have to pump farther and it cost more to get water. But we...I just say that to say this, that I don't think that I or my son or the people that run our farm in the future probably will ever run out of water, but there are areas around that will and do and have declining

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ground water tables and when they have problems, then we have problems. And I think that as we look at the future and as we look at the way we use water, we're going to have to become more responsible. The concerns I have are that, I guess at some point in time we might not be able to pump enough water to raise the crops that we want to raise in our area. That we already experienced that in other parts of the state. And we're conserving...what we're doing to conserve water and be aware of that concern and to try and do our part, is that all of our land used to be gravity irrigated. It was developed for irrigation back in the late '50s, early '60s. And today we're about 70 percent pivot irrigated. We could still gravity irrigate it if we want, but for a number of reasons in addition to water conservation, we've moved to pivots and that is continuing to happen in that area. I'm sorry to babble here but... [CONFIRMATION]

SENATOR CARLSON: Well, I'll ask you one further question. In your 30 years, what's happened to the ground water levels in your area? [CONFIRMATION]

ROD GANGWISH: Our ground water levels have declined. When I was growing up, when I was in high school and began to help my dad on the farm and irrigate, our wells in that area used to pump 1,000 gallon. And today those same wells pump about 850, and that's just because the ground water has gone down. We have...we used to have this much water. Now we have that much and so they yield less and we have declines in our ground water just like other parts of the state do, other parts of our community do. They're not as severe because of the water bearing aquifer that we have below our ground right near where I live and so...but so we don't, we're experiencing some decline but not to the extent that we are on a farm that's...that we have that's five miles north of us where we have two wells that pump into one center pivot. And so we're concerned about that and it's a problem we have in our state even though on this particular farm where I live we have an ample supply of water. We won't necessarily be able to pump it if our neighbor's water level declines to the point that they don't have water. At least that's my opinion. So what I'm saying is that everybody's...that one person's problem becomes everybody's problem in our location. [CONFIRMATION]

SENATOR CARLSON: I appreciate that answer because I think that throughout the state there's a lot of people that don't feel that way. As long as it doesn't affect me, it's not my problem. But we got a big concern for everyone and I appreciate your answer. Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: Are there any other questions? Seeing none, very good. Thank you very much for your testimony. [CONFIRMATION]

ROD GANGWISH: Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: Thanks for coming in. Are there any testifiers on support? Seeing none. Anyone wanting to testify in opposition? Seeing none. Anyone want to

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testify in neutral capacity? Seeing none. That concludes the hearing for Mr. Gangwish to his appointment to the Environmental Quality Council. At this time we'll move on. That closes the hearing. We'll open the hearing on Robert Hall who could not be with us but he has a fill-in. Tom Lamberson is going to testify on his behalf. Welcome. [CONFIRMATION]

TOM LAMBERSON: (Exhibits 9 and 10) Senator Langemeier and members of the committee, Robert Hall sent a letter and asked that we read it into the record for him and so I'll do that at this time. Dear Senator Langemeier and committee members. Please let this letter serve as notice of my desire to continue to serve Nebraska as a member of the Nebraska Environmental Quality Council. I have served for two terms as the labor representative on the Council. I live at 957 North Beech Street, Wahoo, Nebraska, and have lived in Saunders County, Nebraska, my entire life. I am a 34-year member of the International Association of Heat and Frost Insulators and Asbestos Workers Local 39, Omaha, Nebraska. I have held many offices in Local 39 including business manager for 11 years, and now I am an international representative working with locals in all of the United States and Canada. Since 1986, when Nebraska first adopted its State Asbestos Program, I have been involved with state regulations and for 12 years I was the coordinator and state certified instructor of the Midwest States Health and Training Council. I also have a rural background having grown up on our family homesteaded farm just north of Memphis, Nebraska. I enjoy working with the Council and have come to respect and appreciate Mike Linder and all of the DEQ staff for the work they do and hope to continue working with them. Thank you for your time and consideration. Sincerely, Robert Hall. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. We won't ask you questions. (Laughter) [CONFIRMATION]

TOM LAMBERSON: Okay. Would you want me to give a 30-second of the Council makeup and that, or I don't have to. I just...Senator Carlson, asked a question of Mr. Citta and if you'd like, I certainly could. [CONFIRMATION]

SENATOR LANGEMEIER: Okay. Go ahead. [CONFIRMATION]

TOM LAMBERSON: The Council is made up of 17 members. We recently added...a couple of years ago there was a change, so a 17th member was added. All 17 represent either a professional sector or a sector of the various vocations in Nebraska, farm, labor. We have a physician. We have a minority member, public power member, and each of the 17 members represent a specific segment. They meet quarterly. Their main job is to adopt regulations, review the regulations, hold hearings, consider them, and take action on them, which then goes through the regulation process. The other function the Council has is to bring a list of nominees or a recommendation to the Governor should the directors...there be a vacancy in the director. That's really their two

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functions. The Council doesn't have a day-to-day administrative responsibilities. Their functions are simply regulatory development and in the case of the vacancy on the directorship, make a recommendation to the Governor. I just thought if that would be helpful to the members who hadn't worked with us, I'd be glad to do that. [CONFIRMATION]

SENATOR LANGEMEIER: Tom, I'm going to have you go one step farther in that line of thinking which you just said there. For the benefit of the committee, can you tell us your role at DEQ so they know who you are? [CONFIRMATION]

TOM LAMBERSON: I'm deputy director with Department of Environmental Quality. I do a number of the coordinating activities amongst the program. My primary function is to deal with the administrative responsibilities, budget, personnel. I'm fairly busy right at the moment (laugh) and those types of activities, IT budget, personnel, but also work with the various programs in coordinating various departmental responsibilities. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. For the committee's sake, it's nice to see you. We see Mike quite a bit but this is a little different change. Are there any questions for Tom? Seeing none, thank you very much for your helping Mr. Hall. [CONFIRMATION]

TOM LAMBERSON: Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: Is there any testimony in support of Mr. Hall's appointment? Seeing none. Is there any testimony in opposition? Seeing none. Is there anyone that would like to testify in a neutral capacity? Seeing none. That will conclude the hearing for Mr. Robert Hall appointed to the Environmental Quality Council. Now we'll open the hearing for Lance Hedquist for his appointment to the Environmental Quality Council. Welcome. [CONFIRMATION]

LANCE HEDQUIST: (Exhibit 11) Thank you, Mr. Chairman and members of the board. My name is Lance, L-a-n-c-e, Hedquist, H-e-d-q-u-i-s-t. I'm the city administrator for the city of South Sioux City. For ten years I served with the Regional Planning Council based out of the Sioux City area and for the last 29 years I've served as the city administrator of the city of South Sioux City. I believe you'll find that our city has a long record of positive environmental activities. We were the first paperless city in the state of Nebraska, first paperless school in the state of Nebraska. We have a straw baled house. We have a joint arboretum with the school system. We have big support for the methane coming from our landfill to serve our ethanol industry in our area. We have a crumb rubber road. We have 16 1/2 miles of bicycle paths. I believe the only city in the state that requires bicycle paths in all new subdivisions in our area. So I think our city is a very proactive, proenvironmental city. [CONFIRMATION]

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SENATOR LANGEMEIER: Very good. Are there any questions for Mr. Hedquist? I will ask one. We did receive a letter in regards to some of the activities in Sioux City and your role as city administrator. Were you made aware of that at all? [CONFIRMATION]

LANCE HEDQUIST: I was shown the letter just prior to the start of this meeting today. [CONFIRMATION]

SENATOR LANGEMEIER: Okay. So you did know that it came in. Okay. [CONFIRMATION]

LANCE HEDQUIST: And I'd be happy to address the issue in terms of the dumping, if you'd like. [CONFIRMATION]

SENATOR LANGEMEIER: I think it would be wise if... [CONFIRMATION]

LANCE HEDQUIST: I'd be happy to do that. [CONFIRMATION]

SENATOR LANGEMEIER: I'd appreciate it. [CONFIRMATION]

LANCE HEDQUIST: It was brought to our attention that we had a city employee that was dumping paint down one of our manholes in our public works yard. The second that that complaint came into the city we immediately went in to investigate that issue because that is clearly contrary to the policies of the city of South Sioux City. When we went and looked at the site in that area, and indeed you could see the paint signs on the side, at least had the residue so you were able to see that issue, I immediately discussed that with our department head of that division. He was not aware of that but we immediately brought in the employee that was involved and he was immediately reprimanded under the guidelines of the American Federation of State, County and Municipal Employees. We do not tolerate that type of activity. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. I'm glad you addressed that. Are there any other questions? Seeing none. Very good. You did a good job. [CONFIRMATION]

LANCE HEDQUIST: Thank you, Mr. Chairman. [CONFIRMATION]

SENATOR LANGEMEIER: And thanks for coming down. We appreciate it. [CONFIRMATION]

LANCE HEDQUIST: You bet. [CONFIRMATION]

SENATOR LANGEMEIER: (Exhibit 12) Is there anyone that would like to testify in support of Mr. Hedquist's appointment? Is there anyone that would like to testify in opposition? And I do have a letter submitted by Wendy Modlin of 219 East 32nd Street,

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South Sioux City, Nebraska, and her personal letter submission in opposition. Is there anyone that would like to testify in a neutral capacity? Seeing none. That will conclude the hearing for Mr. Lance Hedquist for the Environmental Quality Council. Very good. Now we'll open the hearing for Mark Whitehead appointed to the Environmental Quality Council. I saw him. There he is. Welcome. [CONFIRMATION]

MARK WHITEHEAD: (Exhibit 13) Thank you. Chairman and members of the Council, my name is Mark Whitehead, M-a-r-k W-h-i-t-e-h-e-a-d. This is for reappointment. I'm currently the chairman of the Council. I represent the automotive and petroleum industry as my seat of representation. I've been on the Council for quite some time, started off under the Orr administration and went off for a number of years and this is my second reappointment for the second time around. Being in the petroleum business it's interesting to represent those interests on the Council and that's what I try to do. I try to do it from an environmental perspective but I try to keep an open mind during our public hearing process. Every one of the regulations that we have our public hearings on affects industry across the state. So it's probably the most interesting thing that I enjoy on my participation is hearing the different sides and trying to pass reasonable judgment. It also brought a true appreciation for the department and their efforts to bring reasonable regulations before the Council as well. And I think they do that recognizing the pros and cons of everything that they do try to do and I think it's a pretty balanced approach. With that, I will open it up for any kind of guestions you might have. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. Are there any questions? Mr. Whitehead, I do have one. As being the current chair of the Environmental Quality Council, we heard the makeup of 17 members, one was added from 16 in the past and you talk about your representing the oil industry, the gas industry. What's your thoughts to the makeup? Is it still correct or is there new potential groups that should be involved, or...? You know we're seeing a good variety of individuals being appointed here today. What's your thoughts? Does...are we leaving somebody out with times changing, or...? [CONFIRMATION]

MARK WHITEHEAD: I personally feel there's good balance. I mean environmental interests for the state of Nebraska are extremely important but they also have to be balanced with reasonable economic development issues and create that balance. And one of the things that is refreshing in my mind is that industry leaders in the fields the regulation affects do bring very thoughtful comments before the Council as it relates to their industry and the regulations that we're imposing. And I think to the most part, most of the requests that they have, most of the testimony they have is very thoughtful and also I think that also, as I indicated earlier, I think that represents a good...the balance that the department is trying to do in terms of their interests versus the environmental interests in striking a reasonable balance between the two. But specifically back to your question, I think we do have a good balance and good dialog among the members of

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the Council. [CONFIRMATION]

SENATOR LANGEMEIER: Okay. And then my next question is, is in your advisory role to NDEQ, do you feel they're receptive enough to your thoughts as a group or is there conflict or is it all working well, I guess, is my question. [CONFIRMATION]

MARK WHITEHEAD: Well, I guess I would be disappointed when you've got 17 different interests represented, I'd be disappointed if we didn't have some lively discussion occasionally. But I think we're all pulling pretty much in the same direction and I don't want to reiterate, but I think the department certainly recognizes a sensitive issue when we have it. This would shock you, but some of the things that we do get frustrated at, at times, it's the substantive change issue on public hearings. (Laugh) I'm sure you probably run into that occasionally at public hearings that you have as well. When we do need to recognize a change, it is a tedious process because of the public notification and the substantive change issues associated with it. But we are well advised by the department what our options are and I think the system works relatively well. [CONFIRMATION]

SENATOR LANGEMEIER: Very good. That's good to hear. Are there any other questions? Seeing none, thank you very much for coming down and testifying before us. [CONFIRMATION]

MARK WHITEHEAD: Thank you, sir. [CONFIRMATION]

SENATOR LANGEMEIER: Appreciate it. Is there anyone that would like to testify in support? Seeing none. Is there any testifier in opposition? Seeing none. Is there anyone to testify in a neutral capacity? Seeing none. That will conclude the hearing for Mr. Whitehead, his appointment to the Environmental Quality Council. Now we'll open the hearing for Alden Zuhlke. Is that close? [CONFIRMATION]

ALDEN ZUHLKE: Yep, that's pretty close. [CONFIRMATION]

SENATOR LANGEMEIER: Very good, to appointment to the Environmental Quality Council. And welcome. [CONFIRMATION]

ALDEN ZUHLKE: (Exhibit 14) Thanks. It's actually Alden, A-I-d-e-n. [CONFIRMATION]

SENATOR LANGEMEIER: Alden, okay. [CONFIRMATION]

ALDEN ZUHLKE: It's been pronounced... [CONFIRMATION]

SENATOR LANGEMEIER: I was focusing on the last name, I screwed up the first name. [CONFIRMATION]

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ALDEN ZUHLKE: Yeah, and you did well on the last name, Zuhlke is right, Z-u-h-l-k-e. I'm representing the livestock industry, have a family farm with three sons presenting involved and to younger children and we have hogs, corn, soybeans. Been involved for 30-plus years in the industry. This is my, I think actually, third appointment. I think I came in a midterm appointment the first time and then have served four years, so probably roughly six, seven years is what I've been on. Was involved with 129 writing and the regulations and stuff for the livestock industry back when that all came about, so have quite a bit of experience on the Council. So learned a lot, as you guys know, so. Questions? [CONFIRMATION]

SENATOR LANGEMEIER: Very good. Are there any questions? Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Langemeier. I'll ask you kind of a similar question because of your background here in agriculture. What are your concerns about water issues in the state? [CONFIRMATION]

ALDEN ZUHLKE: You know...I've served with Rod and Ron and I know...I live at Brunswick which is in the...northwest of Norfolk. We're in the, we're involved in the Upper Elkhorn and Lower Elkhorn and where they're, you know, concerned about the flow down the Elkhorn River and I've seen your presentation on the Republican. But basically in our area we've had some wells tested and our water level has not changed. In fact, I mean, it's the same as it was...you know, we've got wells 40-50 years old. Now, realistically, I can't answer how we cannot be going down but that's the facts. The levels have not changed. If we were to drill a well today it would be the same as 30 years ago when we drilled it. So your comment of...that doesn't mean somebody 20 miles down the road doesn't have a problem. So the water issues, you know, I foresee with the change in...you hear crop, you know, drought resistant corn, soybeans. I think efficiencies will drive it that we will eventually use less water. So I'm optimistic that we will figure out a way to, you know, to maintain it or make better use of it. If you had a choice, you know, you'd...in our area, you know, obviously in different areas they're shutting down the drilling, you know, period. I'm not for that concept. I think you should, you know, look at the allocations as they've done in some areas or, I mean, you should give somebody an opportunity to realize that maybe they could pump one out of three years or something like that versus simply cutting it off because it's pretty hard with the cost of putting in crops and things like that, and the cost of the land to budget anything. Being in the swine business I'm well aware of budget cuts for the last 24 months, so. You know, I'm changing direction there just a little bit but I understand budgeting as far as water use and things like that. [CONFIRMATION]

SENATOR CARLSON: Thank you. [CONFIRMATION]

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SENATOR LANGEMEIER: Very good. Are there any other questions? Seeing none. Thank you very much and thanks for coming down. [CONFIRMATION]

ALDEN ZUHLKE: Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: We appreciate it. Is there anyone that would like to testify in support of the nomination? Anybody in opposition? Anyone in a neutral capacity? Seeing none. That will conclude the hearings for the day and we'd like to thank everybody for taking time out of their busy schedule to come down and we do appreciate it. We do get a lot of information about you ahead of time so the fact that there are not always a lot of questions, don't let that reflect anything. We do get a lot of information before you get here. So with that, thanks everyone for coming down and we appreciate it. [CONFIRMATION]

Chairperson	Committee Clerk	_