



Pete Ricketts
Governor

STATE OF NEBRASKA

DEPARTMENT OF NATURAL RESOURCES
James C. Schneider, Ph.D.
Acting Director

IN REPLY TO:

April 13, 2015

Mr. Patrick J. O'Donnell
Clerk of the Legislature
State Capitol Room #2018
Lincoln, NE 68508

Dear Mr. O'Donnell,

The Department of Natural Resources provides administrative support for the separate entity, the Natural Resources Commission. In that regard, enclosed with this letter is a report from the Natural Resources Commission signed by its chair, Kevin Fornoff. This report is submitted in compliance with Neb. Rev. Stat. §46-907(2) which specifies in part: "The public hearing on a rule or regulation that is required to be adopted, amended, or repealed based upon a legislative bill shall be held with twelve months after the effective or operative date of the legislative bill." Subsequent to his letter, the hearing mentioned in Mr. Fornoff's report has been publically noticed for April 28, 2015.

If you or members of the Legislature have any questions regarding this matter, you may direct them to the Commission through this office.

Sincerely,

A handwritten signature in blue ink, appearing to read "JCS".

James C. Schneider, Ph.D.
Acting Director, Department of Natural Resources

Report to the Legislature

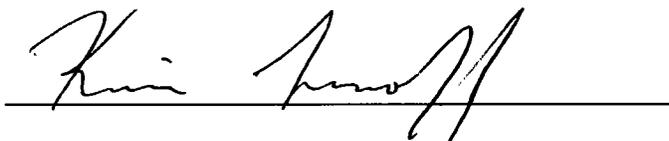
LB1098 adopted by the unicameral in 2014 added 11 new members to the Natural Resources Commission (for a total of 27 members) and added the Water Sustainability Fund (Fund) as a new fund to be administered by the Commission. Because of the large influx of new members to the Commission, all day orientation sessions were held in Lincoln, Kearney and Scottsbluff so that new and returning commissioners could review their new and existing statutory responsibilities. At the Commission's first meeting on June 18 & 19, 2014 in Chadron, a subcommittee was formed and began the process of reviewing the new law and formulating rules. The committee met both formally and informally on July 2 & 17, August 5 & 11, September 11 & 23, October 1 & 22 in 2014 and January 21, 2015. The full Commission additionally met on August 13, September 23, November 25 in 2014 and January 28, February 19 & 20 and March 5, 6 and 16, 2015.

The Commission is comprised of 27 members who are appointed or elected. The chair and another member, both of whom had served for many years, were replaced in January 2015, as a result of elections. The result was a need for an additional orientation session and a sharp learning curve for the new members, who did not have the benefit of the numerous meetings concerning the new rules.

The Commission has expended substantial time and effort to create rules for the Fund. Given the complexity of the statutes, the need to coordinate with the Department of Natural Resources, the size of the Commission and the desire to create well-crafted rules for this new fund, the Commission has spent an extraordinary amount of time and effort to craft thorough and workable rules for the Fund. The Commission anticipates that it will have a formal public hearing on its draft rules before the end of April. The effective date of LB1098 is April 17, 2014. Thus the Commission will not have its public hearing within 1 year of the law's adoption but instead will be approximately two weeks beyond that deadline.

It is hoped that this explanation assists the Legislature appreciate the effort expended in the effort to get rules drafted and a hearing held with one year of the effective date of LB1098.

Dated: March 16, 2015

A handwritten signature in cursive script, appearing to read "Kevin Fornoff", is written over a horizontal line.

Kevin Fornoff, Chair, Natural Resources Commission