

Transcript Prepared By the Clerk of the Legislature
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Natural Resources Committee
May 18, 2017

[CONFIRMATION]

The Committee on Natural Resources met at 12:00 noon on Thursday, May 18, 2017, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on four gubernatorial appointments. Senators present: Dan Hughes, Chairperson; Bruce Bostelman, Vice Chairperson; Joni Albrecht; Suzanne Geist; John McCollister; Dan Quick; and Lynne Walz. Senators absent: Rick Kolowski.

SENATOR HUGHES: I think we'll go ahead and call the meeting of the Natural Resources to order. We are going to be very informal today. I'm Chairman Hughes; I represent the 44th Legislative District. And I'll allow my co-committee members to introduce themselves beginning on my left.

SENATOR ALBRECHT: Hi, I'm Joni Albrecht, I'm from northeast Nebraska; Thurston, Wayne and Dakota Counties.

SENATOR BOSTELMAN: I'm Bruce Bostelman, Saunders, Butler, and Colfax Counties.

SENATOR QUICK: I'm Dan Quick, Grand Island, District 35.

SENATOR WALZ: I'm Lynne Walz, gosh, it's been a long time since we've had to do this, District 15, all of Dodge County.

SENATOR HUGHES: And we also have our committee counsel, Laurie Lage, and Mandy Mizerski, our committee clerk. We do also have two pages with us, Lee-Ann and Heather. We will try to make this as painless as possible for you gentlemen. Welcome to the Natural Resources Committee and we'll begin with Chuck Hutchison who has been appointed to the Nebraska Power Review Board. If you'd like to come up and have a seat and just state your name, spell it for the record, please, and then give us a brief background of what you are or what your qualifications are to serve on this board, and what you'd like to get done.

[CONFIRMATION]

CHUCK HUTCHISON: (Exhibit 1) Sure, my name is Chuck Hutchison, H-u-t-c-h-i-s-o-n. I've served in the Navy for about 25 years; first as a nuclear-trained submarine officer and then later supporting overseas contingency operations for U.S. Cyber Command. I currently serve at U.S. Strategic Command as a civilian operations research analyst at Offutt Air Force Base. I've been involved locally in the community for about 20 years in Bellevue, in Sarpy County area. I'm a local real estate investor. I serve as the president of a condominium association; the chair of a

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sanitation improvement district; and have been involved in youth ministry and other ministries in local area through my local church. And as I approach retirement from the Navy Reserve, this at the end of this year, I'm looking for other ways to serve and I've had a longstanding interest in energy issues, and serving the power industry of Nebraska seems like a good fit.

[CONFIRMATION]

SENATOR HUGHES: Okay. Thank you. Are there questions from the committee? Senator Albrecht. [CONFIRMATION]

SENATOR ALBRECHT: Tell me how you feel about wind and solar. [CONFIRMATION]

CHUCK HUTCHISON: Wind and solar--I think that wind power and solar power are great power sources; they're...as long as they can be economically viable. I mean, I think that's one of the main things we need to focus on. As I understand the legislative policy that the Legislature has given to public power districts and everything is to focus on reliable and inexpensive electricity. And a good mix of power sources helps to contribute to that. And so I'm fully supportive of wind and solar, as long as there's a good mix. [CONFIRMATION]

SENATOR ALBRECHT: Well, I appreciate your answer and your willingness to serve. It's just that's all we ever talked about this session was wind and solar. So, just checking. Thank you. [CONFIRMATION]

SENATOR HUGHES: Okay. Other questions? Senator Bostelman. [CONFIRMATION]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. Mr. Hutchison, thank you for your willingness to serve on this Power Review Board. When we're looking through your application and the information here, I noticed...let me find it here again, we talked briefly...I look at your investments in NioCorp Development, which I think in the future will be a significant power need, and OPPD being, probably, being the power supplier for that. Just looking ahead, being on this committee and having that investment, knowing that that's there and being on the Power Review Board, how do you feel that you would address that or handle that if that issue came up on the board? [CONFIRMATION]

CHUCK HUTCHISON: Sure. I don't really anticipate any issues like that at this point. But if there were, first of all, it's a speculative investment, at this point there's been no decision by that company to move forward, they're not funded for the work that's been proposed. But if there were some work that required transmission work...transmission lines or something like that and they were looking for OPPD to support them in that effort and there was something, I would

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consult with the general counsel of the Power Review Board and would probably recuse myself if it was something that was specifically focusing on the area where I have an investment.

[CONFIRMATION]

SENATOR BOSTELMAN: Sure. Okay. Follow-up question I'd like to ask you is I see you have worked in the nuclear energy area somewhat, I think, on the military side. [CONFIRMATION]

CHUCK HUTCHISON: Correct. [CONFIRMATION]

SENATOR BOSTELMAN: What's your view of nuclear energy? [CONFIRMATION]

CHUCK HUTCHISON: I support nuclear energy. I think it's a...in one of the areas that we're focusing and trying to reduce carbon emissions, you have a power source that is...has no carbon emissions and is also very reliable. So it's on all the time, but you don't have...it's not dependent upon when the wind blows and when the sun is shining and it's a good way to try to help us achieve our reducing carbon emission goals. [CONFIRMATION]

SENATOR BOSTELMAN: Thank you. [CONFIRMATION]

SENATOR HUGHES: Okay. Any other questions? Seeing none, thank you, Mr. Hutchison. We appreciate your willingness to serve. [CONFIRMATION]

CHUCK HUTCHISON: Thank you. [CONFIRMATION]

SENATOR HUGHES: Are there any proponents for Mr. Hutchison? Seeing none, are there any opponents? Anyone wish to testify in the neutral capacity? Seeing none, that will close that hearing for that appointee. Our next one is James Shields for the Nebraska Natural Resources Commission. And by the way, we do appreciate you gentlemen coming in today. We kind of got toward the end of the session and tried to find a day that worked for all of you, helped us out; so thank you for coming in today and making yourselves available. So state your name and spell it and give us a brief background, please. [CONFIRMATION]

JIM SHIELDS: (Exhibit 1) My name is Jim Shields, S-h-i-e-l-d-s. My background--I'm a civil engineer from the University of Nebraska-Lincoln. I also have a MBA from UNO. I'm a Registered Professional Engineer and a Grade I Water Operator in the state of Nebraska. I have worked for MUD for 34 years. And the last 30 of those were in the water department, various positions, water plants. I'm currently the vice president of water operations for MUD, and that's, basically, in charge everything water, the water plants, the water quality, and distribution system.

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I've served on quite a few different boards. Currently, on a rural fire department board. I've been the secretary of the American Water Works Association, the Nebraska section. So I'm used to working on committees and stuff. I'm excited to be MUD's rep on the committee. I'm somewhat familiar with it as I've went to the last two meetings with my predecessor, so I've prepared myself a little bit for this. And I'm just looking for...to helping all Nebraskans benefit from increased water use or efficiency of the water used in Nebraska. [CONFIRMATION]

SENATOR HUGHES: Okay. Thank you. Are there questions? I've got just a couple. I see that you are...this is your new...you are new appointee. And how often does the commission meet? [CONFIRMATION]

JIM SHIELDS: I believe it's about four or five times a year. [CONFIRMATION]

SENATOR HUGHES: Okay. Okay. And normally you meet in Lincoln, Omaha...? [CONFIRMATION]

JIM SHIELDS: They've been meeting...it looked like...the two I went to were in Kearney. I know my boss, who is my predecessor on the commission, and he had been to Gothenburg and Lincoln for meetings. [CONFIRMATION]

SENATOR HUGHES: Okay. Are there other questions? Senator McCollister. [CONFIRMATION]

SENATOR McCOLLISTER: Yeah, thank you, Chairman Hughes. How long have you been with MUD? [CONFIRMATION]

JIM SHIELDS: Thirty-four years. [CONFIRMATION]

SENATOR McCOLLISTER: Thirty-four years. [CONFIRMATION]

JIM SHIELDS: I think I was at Florence, probably, when you were director. [CONFIRMATION]

SENATOR McCOLLISTER: Well, I can tell the rest of the committee this, this is a wonderful appointment. And what is your current position at MUD? [CONFIRMATION]

JIM SHIELDS: Vice President of Water Operations. [CONFIRMATION]

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SENATOR McCOLLISTER: So are you housed down at 1723 Harney? [CONFIRMATION]

JIM SHIELDS: No, I'm at the operating center at 61st and Grover. [CONFIRMATION]

SENATOR McCOLLISTER: I see. Well, thank you for offering your time and being considered for this committee. [CONFIRMATION]

JIM SHIELDS: Sure. It's my honor. [CONFIRMATION]

SENATOR HUGHES: Any additional questions? Seeing none, thank you, Mr. Shields, we appreciate your willingness to serve. Are there any who wish to testify as a proponent of Mr. Shields? Any opponents? Any neutral testimony? Okay, seeing none, we will close the hearing for Mr. Shields. And we will begin with Mr. Paul Dunn for the Nebraska Environmental Trust Board. Welcome, Mr. Dunn. You know the drill. [CONFIRMATION]

PAUL DUNN: (Exhibit 1) Okay. All right. My name is Paul Dunn, D-u-n-n. I work for the city of Omaha, Nebraska, and I am in the 2nd District and served on the trust board for a number of years. I'm the old-timer on the board, so I bring up all those historical things about what has happened over time. It's a great pleasure to serve on the trust board. It's so enjoyable. My background and what I do for the city of Omaha is I'm recycling coordinator. I went through undergraduate school for architecture, then "garbage barge" happened, if you remember that from the '80s, and I became fascinated with garbage and recycling. And went back to grad school. And since then, I've worked three years in North Carolina, but 22-plus years for the city of Omaha, living the dream, I'm recycling coordinator for the city of Omaha. The people on the trust board, I learn from at every single meeting. Everybody has their niche of what they understand the best and what they are passionate about in the environment. For me, obviously, it's solid waste. And I'm the one person who really has that, other than Director Macy, he, obviously, has that background as well. But it's a great pleasure. It's a lot of work to be on the trust board. And it's work that I'm glad to do when we are spending our due diligence reviewing grant applications to do the people's work and enhance the environment of Nebraska for the future. [CONFIRMATION]

SENATOR HUGHES: Okay. Thank you. Are there questions? Senator McDonnell,...I'm sorry, Senator Bostelman. [CONFIRMATION]

SENATOR BOSTELMAN: Thank you. [CONFIRMATION]

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SENATOR HUGHES: I call him McDonnell in here...(laughter) Freudian slip.
[CONFIRMATION]

SENATOR BOSTELMAN: Great. Thank you, Mr. Chairman. Thank you for being here today, Mr. Dunn, for your willingness to be on the reappointment. I spoke with you briefly before and the one question I do have for you, as we understood before was your position with the city and the recycling. Any conflicts of interest, potentially, that may apply if...if in your position you're applying to grants or that department is applying for grants through the Environmental Trust, how would you handle that? How was it handled? [CONFIRMATION]

PAUL DUNN: Sure. And early on, I did submit a letter...request for clarification of exactly how that needed to be handled to the Accountability and Disclosure. And Mr. Daley said that because my position is not purely dependent on any of the grants coming in, whether they are granted or not, I do not need to recuse myself from those votes, that I can fully participate. Depending on the topic area, if it was very close to my position, I'd probably would recuse myself for something. But I have had counsel from the Accountability and Disclosure on that.
[CONFIRMATION]

SENATOR BOSTELMAN: I appreciate that. The only other thing, I'd like to speak with you after we're done today, if you could please stay and I'll have a separate question out of my district I'd like to ask you about. [CONFIRMATION]

PAUL DUNN: Oh, absolutely. [CONFIRMATION]

SENATOR BOSTELMAN: Thank you. [CONFIRMATION]

PAUL DUNN: Probably a garbage question. They usually are. [CONFIRMATION]

SENATOR HUGHES: Okay. Other questions? How often does the Environmental Trust Board meet? [CONFIRMATION]

PAUL DUNN: Well, the full board meets four times. And that's in statute that we had to meet quarterly. But, there are...there's the grants committee which meets an additional four or five times that is not the full board. And you cycle on and off of that. Basically, it's probably about two years on, one year off, two years on, one year off. [CONFIRMATION]

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SENATOR HUGHES: Okay. Are you the...I think the used tire in various counties they have a grant where you can bring your used tires in to be recycled. Does that come through the Environmental Trust Board? [CONFIRMATION]

PAUL DUNN: No, that's NDEQ's grant program. [CONFIRMATION]

SENATOR HUGHES: Okay. That's really good. (Inaudible) do that. [CONFIRMATION]

PAUL DUNN: We have dealt with used tires in other grants, other capacities, but not that one that you're thinking of. [CONFIRMATION]

SENATOR HUGHES: Okay. Okay. Thank you for your willingness to serve. [CONFIRMATION]

PAUL DUNN: Thank you. [CONFIRMATION]

SENATOR HUGHES: Any other questions? Seeing none, thank you, Mr. Dunn, we appreciate that. Are there anyone who wishes to speak as a proponent for Mr. Dunn? Any opponents? Any neutral testimony? Seeing none, we'll close the hearing for Mr. Dunn. And we will bring Mr. Quentin Bowen. Welcome, Mr. Bowen, for the Nebraska Environmental Trust Board as well. [CONFIRMATION]

QUENTIN BOWEN: (Exhibit 1) Thank you, Mr. Chairman. My name is Quentin Bowen, B-o-w-e-n. I live down in...live and farm down in Humboldt, Nebraska, it's in the southeast corner. I farm with my father and my uncle. We grow crop corn and soybeans; I also raise a few pure bred Berkshire hogs, kind of a niche-market thing. I have a wife who is an English teacher for the junior high students at Humboldt-Table Rock-Steinauer, and a nine-year-old daughter and a seven-year-old son. So I grew up two miles west of Humboldt, and I currently live two miles and one-quarter west of Humboldt. (Laughter) I've made it a long ways so far in my life. [CONFIRMATION]

SENATOR HUGHES: Okay. Are there questions? Senator Bostelman. (Inaudible) [CONFIRMATION]

SENATOR BOSTELMAN: I told you I'd pull one out of the file folder here and have a question for you. Thank you, Mr. Chairman. We talked a little bit before the meeting today. It's a real easy question, Mr. Bowen, and thank you for your willingness to serve on this. Just tell us your

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interest in why you want to serve on this a little bit more. What interests you in serving on the Environmental Trust Board? [CONFIRMATION]

QUENTIN BOWEN: Well, being born and raised in this state and being a farmer wanting to farm my entire life, a lot of people don't realize it, but farmers are the original environmentalists. I mean, we care for our land and our animals and it's not just because it helps our returns. It's because it's a part of your life, it's not a job, it's just something...it's about legacy. I told you I have a nine-year-old daughter and a seven-year-old son and I want to leave what I can better than I found it. We do conservation work on our property. The government does have cost share programs to help you improve your land. And as a matter of fact this last winter, I did some conservation work on a farm that I purchased ten years ago and I didn't use the cost share money because the process was going to take perhaps up to two years to get and it was work I felt needed done now. So I went to my bank and discussed what I felt needed done to improve the farm and paid with my own money. And that's just an example that people like me are amplified throughout the state on wanting to take care of the environment, our natural resources. And I have no preconceived notions about this board. I'm a new appointee, if you guys confirm me, and I am eager to learn. Mr. Dunn just said that he has learned from everybody on the board. I don't know what anybody would learn from me when I get on there, but I do look forward to learning and finding a way to contribute in a positive way. [CONFIRMATION]

SENATOR BOSTELMAN: Thank you. [CONFIRMATION]

SENATOR HUGHES: Okay. Other questions? Seeing none, thank you, Mr. Bowen, for your willingness to serve. [CONFIRMATION]

QUENTIN BOWEN: Thank you. [CONFIRMATION]

SENATOR HUGHES: Are there anyone who wish to speak as a proponent for Mr. Bowen? Any opponents? Any neutral testimony? Seeing none, that will close our hearing for Quentin Bowen, Nebraska Environmental Trust. So with that, gentlemen, we thank you for coming in. We will go into a brief Executive Session. [CONFIRMATION]