

NATURAL RESOURCES COMMISSION

Minutes of January 22, 2002

MEMBERS PRESENT

Michael J. Kiley, Chair
Rick Cockrum, Vice Chair
Larry Macklin, Outgoing Secretary
John Goss, Incoming Secretary
Damian Schmelz
Jane Anne Stautz
Terri Moore
Raymond McCormick, II
Megan Murphy
Beth Admire

NATURAL RESOURCES COMMISSION STAFF PRESENT

Stephen Lucas
Sylvia Wilcox
Jennifer Kane

DEPARTMENT OF NATURAL RESOURCES STAFF PRESENT

Sean Fahey	Executive Office
Carrie Doehrmann	Executive Office
Carrie Bales	Executive Office
John Davis	Executive Office
David Vice	Executive Office
Paul Ehret	Executive Office
Deb Lawrence	Executive Office
Mickey James	Accounting
John Bacone	Nature Preserves
John Friedrich	Forestry
Tom Lyons	Forestry
Glenn Salmon	Fish and Wildlife
Bill James	Fish and Wildlife
Dave Parker	Fish and Wildlife
Robin Bruegmann	Fish and Wildlife
Gayle Jansen	Entomology
Dan Mathis	Legislative Liaison
Mike Neyer	Water
Jim Hebenstreit	Water
Jerry Pagac	State Parks and Reservoirs
John Baker	State Parks and Reservoirs
Jim Slutz	Oil and Gas

GUESTS

Kay Bloomer
Doug Burgess
Charles Wilson
George McLaran

Val Frazer
W. Max Wimmer
Julie Bye

Robert Armstrong
Ellen Jacquart
Marlys Pedtke

ELECTIONS OF OFFICERS AND MONTHLY REPORTS

Michael J. Kiley, Chair, called to order the regular meeting of the Natural Resources Commission at 10:10 a.m., EST, on January 22, 2002, at Indiana State Museum, 202 North Alabama, Indiana. With the presence of nine members, the chair observed a quorum.

Damian Schmelz moved to approve the minutes of November 23, 2001. Jane Anne Stautz seconded the motion. Upon a voice vote, the motion carried.

ELECTION OF OFFICERS

Chariman Kiley opened the floor for nominations to elect officers.

Rick Cockrum nominated Michael Kiley as Chairman, and Damian Schmelz seconded the motion. There were no other nominations. Michael Kiley was elected on a voice vote.

Terri Moore nominated Rick Cockrum as Vice Chairman, and Damian Schmelz seconded the motion. There were no other nominations. Rick Cockrum was elected on a voice vote.

Terri Moore nominated John Goss as Secretary, and Rick Cockrum seconded the motion. There were no other nominations. John Goss was elected on a voice vote.

MONTHLY REPORTS

Larry Macklin provided the Director's Report. He said this report was his last to the Commission as Director and that he felt "joy and comfort" that Governor Frank O'Bannon appointed John Goss as the new Director of the Department of Natural Resources. Director Macklin said it has been an "awesome experience" serving as DNR Director for the past five years. He was "grateful" for the "enormous support" he received in managing this agency, and stated, "I believe we can stack our agency against any other in the state."

Director Macklin said to date the Indiana Heritage Trust has purchased 23,000 acres for preservation. "We have had record capital improvements such as the new world-class museum and the renovated Conservation Building at the State Fair, cleanup of abandoned oil and gas wells, online fishing and hunting licenses, otters back in Indiana streams,

eagles and falcons soaring in the air—the list is endless.” There is a “spirit of cooperation with this agency and the NRC.”

Macklin introduced John Goss as the new DNR Director. He said Goss grew up in Columbus, Indiana. He noted Goss studied economics and environmental affairs and completed a Masters in Public Administration at Indiana University. Goss began his government career in 1973 as a senate intern, and served as Deputy Mayor of Bloomington; member of the Parks Board for seven years; Chief of Staff under Governor O’Bannon’s term as Lt. Governor; Director of the Division of Tourism; and a Commission member for twelve years.

Goss announced Governor O’Bannon named Larry Macklin as a Sagamore of the Wabash. Goss congratulated Macklin and remarked, “No one better deserves the honor more than Larry Macklin.”

Chairman Kiley said he has served on this Commission for 25 years and has worked “closely” with Macklin for the past five years. He noted that Macklin’s background is “really tied to the NRC.” Before his service as Director, Macklin was a member of an Advisory Council and later an Indiana State Senator who focused on natural resource issues. “Macklin is well-versed in the workings of this agency. It is hard to find people who understand the mission of this Commission and the DNR. Macklin discharged his responsibility as DNR Director with integrity, friendship, and great skill. We hope to see him often.”

Rick Cockrum suggested Director Goss draft a Commission Resolution commending Larry Macklin’s service to the DNR and the Commission. Commission members were in agreement.

Jerry Miller, Chairman of the Advisory Council for Lands and Cultural Resources, was not present. John Davis, Deputy Director for the Bureau of Lands, Recreation, and Cultural Resources, reported that the Advisory Council for Lands and Cultural Resources did not meet this month.

Ray McCormick, Chairman of the Advisory Council for Water and Resource Regulation, reported his Council met on January 16. McCormick stated that DNR staff gave “good” presentations on four topics, some of which are on the Commission’s agenda. One presentation concerned the construction of wetlands for treatment of sewage and other liquid wastes on DNR properties. McCormick reported these wetlands cut long-term maintenance costs, are esthetically pleasing, and return treated water into the environment.

McCormick said Dr. Katie Smith, Division of Fish and Wildlife’s Nongame Supervisor, presented information on funding sources that may be available for Indiana. Smith informed the Council offshore drilling funds were collected with possible distribution through the proposed Conservation and Restoration Act (CARA). CARA was passed by the U.S. House of Representatives in the last session, but did not receive a hearing in the U.S. Senate. Proponents are hopeful there will be a more favorable result in the near future. Also discussed was the Soil and Water Conservancy District Wildlife Grant that requires a 25% State : 75% Federal matching grant. McCormick noted Indiana may

receive several million dollars; however, with the budget shortfalls, Indiana will “need to come up with matching funds and a plan” by the August 2003 deadline.

McCormick said Glen Lange also updated the Council regarding nuisance Canada geese. The nonmigratory goose population has flourished and is depredating farm crops. He said the Council voted to recommend a new policy to allow farmers to harvest up to 25 geese under a nuisance permit. The permit might be available as soon as this spring, but “statistics do not support a spring hunt.” Damian Schmelz asked whether the urban goose population would be addressed under the nuisance permit. McCormick explained the proposed permit would not cover the urban population, and noted that geese, because of their migratory behavior, are under federal jurisdiction. He said the federal approval process is cumbersome, and there may not be any relief in urban areas for at least five to six years.

McCormick said the Indiana Great Lakes Coastal Restoration Grants Program Nonrule Policy Document was also presented to the Council. This one-time initiative was supported by the Council and would be presented to the Commission today for final action.

David Vice, Deputy Director for the Bureau of Resource Management, reported the Bureau of Motor Vehicles initiated changes and fee increases that affect the Environmental License Plate. Vice explained several prefixes (one being LM) would no longer be available. He also reported the DNR Homepage received 100,000 “hits” within one week.

Vice announced approximately 5,000 lifetime license applications have yet to be processed. Staff from several divisions have been recruited to process 200 to 300 applications daily. He said the Division of Fish and Wildlife and the Division of Law Enforcement are busy preparing for the Indiana Boat and Travel Show, the “largest PR event besides the State Fair.” Vice announced Governor O’Bannon appointed Colonel Bruce Clear as Director of the Division of Law Enforcement. He noted Colonel Clear had been serving as acting director.

Paul Ehret, Deputy Director for the Bureau of Resource Regulation, reported that a determination was made on January 15 not to approve the rule petition regarding group boating activity on Lakes Wawasee and Syracuse. He explained a municipality did not submit the petition. “Notwithstanding, we decided to proceed independently to pursue” a rule governing boating on Syracuse and Wawasee Lakes, with possible preliminary adoption in March or April and a final rule in place by fall for the 2003 boating season.

PERMANENT APPOINTMENTS AND PERSONNEL INTERVIEWS

Permanent Appointment for the Position of Assistant Property Manager at Deam Lake State Recreation Area

Tom Lyons, Division of Forestry, presented this item. Lyons said Jana Gold had previously served as the Assistant for Deam Lake for six years. She left to pursue a

career in the private sector but determined to return to the agency. Lyons remarked that Gold has done an “excellent job” and was recommended for permanent appointment.

Rick Cockrum moved to approve the permanent appointment of Jana Gold as Assistant Property Manager at the Deam Lake State Recreation Area. Damian Schmelz seconded the motion. Upon a voice vote, the motion carried.

Personnel Interviews for the Position of Property Manager at Avoca Fish Hatchery

Terrie Moore presented this item. She reported both applicants currently work for the Department. “Both are very qualified employees, and this was one of the most difficult decisions I’ve had to make on the personnel committee.”

Moore recommended and then moved to approve Robin Brueggemann for Property Manager of the Avoca Fish Hatchery. Damian Schmelz seconded the motion. Upon a voice vote, the motion carried.

BUREAU OF RESOURCE REGULATION

DIVISION OF WATER

Consideration of Approval of a Nonrule Policy Document to Govern the “Indiana Great Lakes Coastal Restoration Grants Program;” Administrative Cause No. 01-035W

Laurie Rounds, Program Manager for the Lake Michigan Coastal Program, introduced this item. Rounds said the U.S. Congress has made available to the states in the Great Lakes regions, funds for competitive grants for community-based coastal restoration activities. The funding is administered through the National Oceanic and Atmospheric Administration (NOAA) and its Office of Ocean and Coastal Resource Management (OCRM). Indiana is eligible for \$1.75 million to conduct a competitive grant program. Although Indiana has not completed the Coastal Zone Management (CZM) program approval process, the proposed nonrule policy document would require projects be consistent with the CZM Act. For Indiana, the Department of Natural Resources, Division of Water, Lake Michigan Coastal Program (LMCP), would administer the funding.

Rounds explained the proposed nonrule policy document is intended to establish the structure and requirements for Indiana’s Great Lakes Coastal Restoration Grants Program. The purpose of the Program is to protect and restore coastal natural resources in Northwest Indiana through partnerships between state and local government. Proposals for projects would be reviewed on a competitive basis using the grant funds available to Indiana. At least 50% of Indiana’s allocation would be directed to eligible local government projects.

Rounds introduced Jenny Kintzele as the Project Coordinator. Kintzele outlined priorities and how she would administer the grant program if the Commission gave approval to the nonrule policy document. Kintzele is a resident of Northwest Indiana and would operate from an office at Indiana Dunes State Park in Porter County.

Ray McCormick moved for the approval of the nonrule policy document to govern the Indiana Great Lakes Coastal Restoration Grants Program. Schmelz seconded the motion. Upon a voice vote, the motion carried.

BUREAU OF LANDS, RECREATIONAL AND CULTURAL RESOURCES

DIVISION OF FORESTRY

Consideration of a Request by Brown County Water Utility, Inc. for an Easement for Operation and Maintenance of an Existing Underground Waterline on Morgan-Monroe State Forest

John Friedrich, Division of Forestry, presented this item. He explained Brown County Water Utility is requesting an easement to install, operate, and maintain a new residential water service line in eastern Monroe County at Morgan-Monroe State Forest. Friedrich also said the existing waterline was installed in the 1970s and is noncompliant with current technical standards. The construction easement would allow the utility to install a larger and compliant waterline to adequately serve existing residences and future users.

Friedrich noted the utility requested a long-term easement width of 20 feet, with a total area for the easement of 1.13 acres. He said the Division of Forestry recommended a 30-year utility easement with a short-term construction easement of four years. Friedrich explained, consistent with the NRC's nonrule policy document, EASEMENTS ON DEPARTMENT OF NATURAL RESOURCES PROPERTIES AND NAVIGABLE WATERS, compensation for the long-term easement would be \$1,070.00.

Kay Bloomer, representing the Brown County Water Utility, informed the Commission a directive from the Indiana Department of Environmental Management mandated the waterline upgrade. She said "no one foresaw the growth in the area" serviced by the existing waterline. "Two inches is too small to add new customers or even serve existing customers." Revolving state funds and Build Indiana loans would cover the cost of the upgraded waterline. Schmelz asked for an explanation why the line had not been upgraded previously. Bloomer stated, "The line was put in before any of us and currently there are eleven people working" for a utility that serves 4,000 residents. She reported the utility is currently surveying the lines, and neglecting the information requests by the Division of Forestry was "not intentional. We will abide by procedures in the future."

Rick Cockrum asked whether the Division of Forestry was "satisfied with the present cooperation of the Utility." Friedrich answered, "Yes, we are."

Cockrum moved to approve the request by Brown County Water Utility, Inc. for an easement to operate and maintain an existing underground water line on Morgan-Monroe State Forest. McCormick seconded the motion. Beth Admire, Commission member representing IDEM, abstained from vote. Upon a voice vote, the motion carried.

Consideration of a Request by Brown County Water Utility, Inc. for an Easement for Installation, Operation, and Maintenance of a New Underground Waterline on Yellowwood State Forest

John Friedrich also presented this item. He said Brown County Water Utility, Inc. is requesting to install, operate and maintain a new water line to provide residential water service in northern Brown County at Yellowwood State Forest. He said the Utility was requesting a long-term 20-foot easement and an additional 20-foot wide short-term construction easement. Friedrich noted the initial request by the Utility was for a 20-foot long-term easement; however the Advisory Council recommended a 15-foot easement width to minimize environmental impacts. Subsequently, the Utility submitted revised easement information requesting a long-term easement with only a 15-foot width. Friedrich recommended approval of the 15-foot easement with a length of approximately 6,310 feet (2.2 acres) and recommended the compensation for the long-term easement be \$2,070.00.

Cockrum motioned to approve the request by Brown County Water Utility, Inc. for an easement for installation, operation, and maintenance of a new underground water line on Yellowwood State Forest. Raymond McCormick seconded the motion. Beth Admire abstained from vote. Upon a voice vote, the motion carried.

Consideration of a Request by Division of Forestry for Recommendation on Conversions of Existing Temporary Land Use Permits to Long-Term Easements

John Friedrich also presented this item. He said the Division of Forestry had drafted a proposed guidance document to convert temporary land use permits to long-term easements. The document would also incorporate the easement fee schedule used by the U. S. Forest Service. He said the draft was prepared at the suggestion of the NRC and would support and supplement Information Bulletin #28 [23 IR 2327] providing guidelines for easements on DNR properties and navigable waters.

Friedrich reported the Division of Forestry maintains many temporary land use permits, most are for utility lines and ingress and egress. Many of the permits have terms of four years and are renewable. He said the short-term permits, if converted to long-term easements, would save the Department time, money, and effort.

Friedrich said, with the conversion from short-term permits to long-term easements, there are concerns of how the converted easement fee compensation would match up with Information Bulletin #28. Friedrich outlined the Division of Forestry recommendations as follows:

1. All new easements, except those that serve the Department, will now require compensation. It is recommended that compensation be required the same as though the easement was new.
2. The U. S. Forest Service has established a schedule for easement fees for federal lands. It is recommended that the federal schedule be used as the basis for setting fees when comparisons are not available.

3. It is recommended that conversions of permits to easements do not require Natural Resources Commission review, and instead be reviewed by the Department of Natural Resources.
4. It is recommended that easements be long term, but with a set term so the Department has an opportunity to abandon a land use that has become a detriment.

Friedrich concluded by saying some permits may contain revised conditions that may require review by the Commission. However, there are “some easements that may not have enough impact to come back” to the Commission. John Davis suggested the Division of Forestry present a report to the Commission. The report would describe the varying permits that are due for renewal and distinguish between the permits that may or may not require NRC consideration.

Chairman Kiley suggested tabling Item 3 to await further information. McCormick suggested there should be review by the Advisory Council for Lands and Cultural Resources before returning Item 3 to the Commission. The Chair suggested John Davis consider placement of this subject on the Council’s agenda.

Damian Schmelz moved to approve the Division of Forestry recommendations on conversion of existing temporary land use permits to long-term easements set forth in Items 1, 2, and 4 (but to table the recommendations in Item 3). Raymond McCormick seconded the motion. Upon a voice vote, the motion carried.

Consideration of a Request by The Nature Conservancy for an Agreement for Tree Planting at Harrison-Crawford State Forest

John Davis introduced this item. He explained utility companies may accumulate carbon credits by planting trees. As discussed previously with the Commission, whether these carbon credits will have some future monetary benefit to the utilities is yet undetermined.

John Friedrich explained the 45-acre tract at Harrison-Crawford for consideration in this item is populated with non-native species (predominantly fescue and black locust), and through reforestation native species would be re-introduce. He said The Nature Conservancy, in partnership with Cinergy, facilitates reforestation tree planting on DNR properties. The 45-acre tract would be reforested through this partnership.

Friedrich said Cinergy could receive “carbon credits” for funding the reforestation. He also explained planting costs per acre are approximately \$300 plus administrative costs. Friedrich noted the benefit to the Department would be the reforestation of many acres of abandoned farmlands where tree planting could not have occurred in the near future due to lack of funding. Friedrich said the Division of Forestry recommended approval of the request for the tree planting agreement with the Nature Conservancy at Harrison-Crawford State Forest.

Terri Moore moved to approve the request for a 45-acre tree planting agreement with the Nature Conservancy at Harrison-Crawford State Forest. Damian Schmelz seconded the motion. Upon a voice vote, the motion carried.

DIVISION OF NATURE PRESERVES

Consideration of a Request by The Nature Conservancy for an Agreement for Tree Planting at Big Walnut Nature Preserve, Putnam County

John Bacone, Division of Nature Preserves, presented this item. He said this agreement with The Nature Conservancy for tree planting at Big Walnut Nature Preserve, was a “great opportunity to unfragment forests so we can have large blocks of forests.” He explained the acquired tracts of land would ultimately be recommended to the Commission for dedication as an addition to the nature preserve. Bacone recommended approval of the request for a tree planting agreement with The Nature Conservancy at Big Walnut Nature Preserve.

Ellen Jacquart, representing The Nature Conservancy, [addressing both the Harrison-Crawford State Forest and Big Walnut Nature Preserve tree planting agreements] said the partnership with Cinergy has been “successful.” She added, “ We are interested in planting to protect the biodiversity within the state. Many of our properties are near or adjacent to DNR properties. While we are planting our properties, it makes good sense to plant DNR properties.”

McCormick asked who would perform maintenance if invasive species threatened the plantings. Jacquart answered maintenance would be under The Nature Conservancy’s control for three years. She said the Division of Forestry and the Conservancy may also make selective removal to improve the stand after three years.

Terri Moore moved to approve the request for a tree planting agreement with The Nature Conservancy at Big Walnut Nature Preserve. Damian Schmelz seconded the motion. Upon a voice vote, the motion carried.

Consideration of the Dedication of Alum Cave Hollow Nature Preserve, Clark County

John Bacone presented this item. He said the proposed nature preserve was a 142-acre portion of Clark State Forest, located in southwest section of the forest, and just north of New Providence in Clark County. Bacone described the tract as rugged and a “very fine chunk of knobbs.” He said the proposed preserve contains siltstone cliffs, dry-mesic and dry upland forests, and “good examples of native Virginia pine.” Bacone recommended dedication of the site as a State Nature Preserve.

Damian Schmelz moved to approve the dedication of the Alum Cave Hollow Nature Preserve. Rick Cockrum seconded the motion. Upon a voice vote, the motion carried.

Consideration of the Dedication of Schroeder’s Fern Cove Nature Preserve, Clark County.

John Bacone presented this item. He noted the proposed nature preserve is a 70-acre tract of land located approximately five miles northwest of Sellersburg in Clark County and

within a few miles from the Alum Cave Hollow Nature Preserve discussed in Item 9. Bacone said the tract is a Heritage Trust “bargain sale price” acquisition. He said the site is named after the Schroeder family who bought the property in 1981 for its protection. The preserve has both a mesic upland forest dominated by sugar maple containing eleven species of ferns. Bacone said the federally listed endangered Indiana bat has been found at the proposed nature preserve. Bacone recommended dedication of the site as a State Nature Preserve.

Raymond McCormick moved to approve the dedication of Schroeder’s Fern Cove Nature Preserve. Terri Moore seconded the motion. Upon a voice vote, the motion carried.

McCormick suggested a note of thanks be sent to the Schroeder family. Kiley stated it was a policy of the Commission to “thank the families for their generous gift.” Bacone responded he would follow-up with the suggestion.

LEGAL PROCEEDINGS

NRC DIVISION OF HEARINGS

Consideration of Presentation of Rule Proposal as to Preliminary Adoption of Amendments to Historic Preservation and Archaeology Rules to Address Cemetery Protection (312 IAC 22.5-1); Administrative Cause No. 01-193H (LSA #01-361)

Stephen Lucas, NRC Division of Hearings, introduced this item. He noted the proposed rule would help administer an important new regulatory program. Lucas said he had received three seemingly unrelated queries regarding the proposal based solely on the “notice of intent” to adopt published in the INDIANA REGISTER, and a “notice of intent” rarely generated even a single query. Because the regulatory program was so far-reaching, public interest was not unexpected and the rule adoption might prove controversial. The proposed language was sent to the three interested persons, however, and no comments on its substance have since been received. Lucas deferred to Dr. Rick Jones to explain the proposed rule.

Dr. Jones explained the proposed language would require development plans be filed with the Division of Historic Preservation and Archaeology for any disturbance of ground within 100 feet of a cemetery. He said the proposed rules set forth the application procedure and the information needed for processing an application. He likened the proposed review process to other existing permit reviews. Dr. Jones noted the Division of Historic Preservation and Archaeology has a cemetery database. He said there are 20,000 to 40,000 cemeteries within Indiana with approximately 100 to 200 cemeteries in each county.

Terri Moore asked for clarification on the definition of “ground disturbance,” and whether the definition would include landscaping or re-shingling a house. “This could prove to be burdensome.” Dr. Jones responded there are provisions in the underlying statute to make allowances for minor alterations. McCormick questioned the exemption of surface coal mining and reclamation operations under the proposed rule. Dr. Jones

explained that mining operations were already regulated under Indiana SMCRA and so were exempted by the Indiana General Assembly from this new legislation.

Rick Cockrum moved to preliminary adopt amendments to the historic preservation and archaeology rules to address cemetery protection (312 IAC 22.5-1). Damian Schmelz seconded the motion. Upon a voice vote, the motion carried.

Consideration of Presentation of Rule Proposal as to Preliminary Adoption of DNR Property Use Amendments (Adding Definitions, Possession of Firearms on DNR Fishing Access Sites, Pet Attendance, Quiet Time at Campgrounds, Horse Tag Requirements, Use of Parking Facilities); Administrative Cause No. 01-150A

Stephen Lucas presented this item. He said the proposed rules governing DNR property promote “better management by land-holding divisions.” Lucas noted the amendment to 312 IAC 8-2-3 was initiated by a citizen requesting clarification. The amendment would make unambiguous that the DNR property use rules do not make unlawful the possession of a firearm on a fishing access site, if the firearm is otherwise lawful. Other amendments were consensus items from DNR’s standing committee on the use of properties. The committee is chaired by Marian England of the Division of State Parks and Reservoirs.

Damian Schmelz moved to preliminary adopt amendments governing the usage of DNR properties as set forth in the Commission packet. Raymond McCormick seconded the motion. Upon a voice vote, the motion carried.

Consideration of Recommendation of Amendments to Commission Floodway Nonrule Policy Document to Reflect Recent Rule Adoption; Administrative Cause No. 02-001W

Stephen Lucas presented this item. He noted the Commission approved a nonrule policy document in 1996 that established guidelines for the development and approval of a “commission floodway.” A substantial portion of the substance of the nonrule policy document is now included in the Flood Plain Management rules that became effective January 1, 2002. He said the proposed amendments would modify the nonrule policy document to make it consistent with the new rules. Kiley said the “commission floodway” issue “came up numerous times in the past, which led to litigation, and this policy helped to bring uniformity.”

Rick Cockrum moved to approve amendments to the Commission Floodway Criteria Nonrule Policy Document. Damian Schmelz seconded the motion. Upon a voice vote, the motion carried.

MISCELLANEOUS

Informational Item—Budget Update

John Goss said he met with employees last week on-site and through video conferencing to inform DNR of the fiscal situation. “The state of Indiana is in a very serious economic challenge. The general fund has dropped by 20% and agencies are requested to cut their budget by 15%. These funds will be de-appropriated. We have some discretion where we make these cuts.” Goss said changes must be approved for additional recreation fees as well as approval for the proposed increase in existing fees. “It will take two steps to raise revenue. The best direction for DNR is to be less dependent on tax payers and the general fund.”

Sean Fahey, Transition Director, reported DNR has “put in \$5 million into the general budget,” with restrictions on hiring, travel, and capital projects, and added, “DNR staff were instrumental in recommending budget cuts. Fahey explained that an additional 5% would be cut from the general fund in the next fiscal year.

John Davis reported many DNR divisions have positions unfilled, and the intermittent budget has been “greatly impacted.” He said ordinarily 1,500 intermittent jobs are filled during the summer recreation season, however, with the budget situation 25% of those jobs will be left unfilled this year. “We need new ways to cut grass and recreational areas will be open for shorter hours. We will take care of the health and safety our guests;” however, the properties “may suffer. The interpretive service is intermittent driven; it will suffer. Most new development will stop at most of our properties.”

Paul Ehret said divisions under his bureau are “holding positions and reducing travel and equipment purchases. We have looked at our core missions and what is essential.” He noted divisions are investigating opportunities to partner with conservation groups enabling those groups to share program management costs. Ehret explained the DNR and the U.S. Geological Service (USGS) partnered in the management of the Stream Flow Monitoring Program and created “adopt-a-station” incentive. The data from these stations are “important for predicting floods and low water effects.” Ehret also reported the Natural Resource Conservation Service has “worked out a deal” where DNR will be able to operate out of the NRCS’s offices rent free—saving \$150,000.

Ehret noted the Division of Reclamation permitting and enforcement is funded by a 50% match program—50% federal funds matched by 50% state funds from a combination of coal industry fees and the general fund. Ehret noted the Division of Reclamation permitting and enforcement is funded by a 50% match program—50% from coal industry fees and the remaining 50% from the general fund. In 1991, the coal industry paid 5 ½ cents a ton for surface mining, three cents a ton for underground mining, and one penny for shared boundary mining with Illinois. Ehret said that in 1991 the Division of Reclamation was self-funded with no reliance on the general fund; however, with the reduction in fees to three cents, two cents, and one cent respectively, the Division became reliant on the general fund. “We have had discussions with the Indiana Coal Council and others to return to the fee level in 1991” as well as boosting “shared boundary” tonnage fee to three cents. “Industry is understanding and open to the fee increase.” If the statutory fee increase is approved, \$650,000 in new income would be expected.

Jim Slutz, Director of the Division of Oil and Gas, reported his Division is seeking an increase in its statutory permit fees which have not changed in “at least eleven years.” If approved, the permit fees would increase from \$100 to \$200, and a fee would be established for permit transfers. Slutz said currently fees are deposited in the oil and gas environmental fund, and the agency would request the funds be moved to the operating budget. He reported there would be a change in the bonding requirements of the Orphan Site Program. Slutz estimated that funds generated from the permit fee increase would be \$85,000, and for cleanup fees of orphan sites would be an increase to \$325,000. “Our constituents” gave a “whole-hearted support of the orphan site requirement change” and they “support the other increases.”

Mike Neyer, Director of the Division of Water, said his Division is almost totally dependent upon the general fund. He said the agency would request an increase from \$50 to \$200 for Flood Control Act permit fees and an increase from \$25 to \$100 for Lake Preservation Act permit fees. Neyer said the permit fees have not changed in 25 years. The agency would also request the funds generated by the increased fees be dedicated to offset the operational budget. He said the constituents are “extremely supportive” and had even commented that “it was about time.” Neyer said \$187,000 would be generated with the fee increases.

Gayle Jansen, Division of Entomology and Plant Pathology, reported the division was requesting a fee increase from \$30 to \$50 for the nursery-dealer license and an increase from \$20 to \$30 for the base fee nursery certification. The acreage inspection fee for nursery certification would increase from \$1.50 to \$3.00. Also sought is an increase in fee from \$10 to \$20 for those entities both growing and selling nursery stock. Jansen said funds would increase to \$70,000 to \$80,000 if new fees were approved.

Dave Vice reported the Division of Engineering is completing projects paid out of the previous year’s budget, and the Division of Entomology is phasing out the Apiary Program. The agency is confident the “bee keepers can become self-reliant.” He also reported the Division of Law Enforcement has cancelled the 2002 Recruit School, leaving eleven vacancies that will increase to 17 due to mandatory retirement. “There will be counties without a conservation officer residing in the boundaries, but those county needs will be met.”

McCormick reflected, “It is unfortunate that we may not be able to stay to our promise that we would maintain the level of service” when the increase in hunting and fishing license fees was approved. “But now cuts are possible in Fish and Wildlife and Law Enforcement.” Davis explained the budget cuts were from intermittent staffing in the Division of State Parks and Reservoirs and the Division of Forestry but not the Division of Fish and Wildlife. Vice added no additional reductions were made to activities of the Division of Fish and Wildlife. The Division of Law Enforcement would experience some reductions due to its 50% dependence on the general fund.

Schmelz asked whether there would be a reduction in DNR full-time employees, salaries, and benefits. Goss explained no full-time positions were being cut; however, there would be no raises in 2002, and he anticipated there would also be no raises in 2003.

Damien Schmelz moved to direct the drafting of a resolution on behalf of the Commission in support of the Department's effort to seek user fee increases in reducing dependence on the general fund and in better matching expenses to those who receive services. The motion was seconded by Ray McCormick. Upon a voice vote, the motion carried.

Consideration of a Request to Adjust or Establish Certain Recreation Fees at Properties Administered by the Department of Natural Resources

Gerald Pagac, Director of the Division of State Parks and Reservoirs, presented this item. He said property fees go into a dedicated account that can only be used for operation of the property-holding divisions. "We have moved from being less dependent on general funds to more dependent." In 1994, Indiana State Parks generated 77% of the operating budget through fees. By 2001, fees provided only 55% of the operating budget. "The notion of being able to be self-reliant is very important, particularly because of times like these. We want to do better, so we are seeking fee increases."

Pagac recommended the following fee changes become effective February 1, 2002 (except for the toboggan fee increase). The annual pass fee changes would also be reflected in the NRC's nonrule policy document.

1. Entrance fees for all DNR properties at which gate fees are charged:

ENTRANCE FEE	PRESENT RATES	2002 PROPOSED RATES
Daily Entrance Fee (Resident)	\$3.00	\$4.00
Annual Entrance Permit (Resident)	\$18.00	\$22.00
Annual Entrance Permit (non-resident)	\$25.00	\$26.00
Golden Hoosier Permit	\$9.00	\$11.00
Annual Walk-in Entrance Permit	\$8.00	\$9.00

2. Horse entrance fees for all DNR properties at which fees are charged:

	<u>Present Rate</u>	<u>2002 Proposed Rate</u>
Annual horse permit (trail fee)	\$8.00 per year	\$9.00 per year

3. Toboggans (Pokagon State Park) (Effective March 1, 2002)

	<u>Present Rate</u>	<u>2002 Proposed Rate</u>
Daily Fee	\$6.00 per hour	\$10.00 per hour

4. Camping: Camping rates will be increased in Classes AA, A, B and C and for Youth and Horse camping. (Class C rates apply to all primitive camping, including rally, backpack, and canoe). The camping reservation fee will also be increased. (Winter camping rates will continue to be half the normal rate.)

	<u>Present Rate</u>	<u>2002 Proposed Rate</u>
Class AA	\$20.00	\$21.00
Class A	\$15.00	\$16.00

Class B	\$12.00	\$13.00
Class C; Canoe; Rally	\$7.00	\$8.00
Youth Tent (per person)	\$1.00	\$2.00
Backpacking Fee	\$7.00	\$8.00

5. Swimming:	<u>Present Rate</u>	<u>2002 Proposed Rate</u>
Daily Admission	\$2.00/day	\$3.00/day
Swimming Permit	\$24.00	\$26.00

(Allows 20 day uses; valid for individuals, groups and families)

6. Guided Boat Tours (New Fee at Lieber State Recreation Area and Hardy Lake):

	<u>Present Rate</u>	<u>2002 Proposed Rate</u>
	\$0-3.00/adult	\$3.00/adult
	\$0-1.00/child	\$1.00/child

7. Workshop/Special Event Fee (New Fee): Pagac explained that the new fees would be used to defer cost of program materials, staff time, and preparation.

	<u>Present Rate</u>	<u>2002 Proposed Rate</u>
	\$0.00/event	\$5 to \$25/event

8. Draper Cabin Rental (Primitive cabin rental at Morgan-Monroe State Forest)

	<u>Present Rate</u>	<u>2002 Proposed Rate</u>
	\$15.00	\$20.00

Pagac explained that by law the cost of the Golden Hoosier Pass is half of the Annual Resident Entrance Permit. He said it would not be “fair” to increase the toboggan fee this winter recreational season since only a few weeks remain. He recommended the fee become effective March 1, 2002. Pagac noted the proposed fee increase for toboggan rental should be corrected from the NRC materials to read “per day” rather than “per hour.” The increased fees would raise revenues an estimated \$1.5 million for State Parks and \$425,000 for Reservoirs during the ensuing year and a half.

McCormick said the presentation was “very helpful” and applauded agency management for including the entire team of DNR in decision making. McCormick noted border parks receive nonresident visitors, and suggested DNR should “strongly consider” a larger increase on out-of-state resident fees. Davis responded, “We don’t want to subsidize out-of-state residence entrance fees, but at the same time we want to encourage an increase in tourism and not deter the nonresident. It’s a difficult balance.”

Kiley said he would entertain a motion to consider approval of the recommendations described by Pagac other than those pertaining to out-of-state entrance fees. Damian Schmelz motioned for approval of all fees except for the nonresident entrance fee, and Terri Moore seconded the motion. Upon a voice vote, the motion carried.

Rick Cockrum moved that the annual nonresident entrance fee be increased from \$26.00 to \$30.00, and the daily nonresident entrance fee be increased from \$5.00 to \$7.00. Moore suggested it would be “more reasonable” to increase the same dollar across the board.

Pagac reflected the out-of-state fee issue is a difficult one. “Indiana is trying to encourage visitors to come to Indiana to spend their tourism dollars. Some states do not charge an entrance fee at all.” He said the Division of State Parks and Reservoirs eventually would like the fees to be the same for in-state as for out-of-state visitors. Cockrum said he appreciated the discussion then amended his motion to approve out-of-state fees as Pagac had proposed. Damian Schmelz seconded the motion. Upon a voice vote, the motion carried.

Informational Item—2002 Legislative Update

Daniel Mathis, Legislative Liaison for the Department of Natural Resources, introduced this item. He said there was a statutory proposal for fee increases from four Department divisions, and Representative Markt Lytle is “finding a vehicle for these increases.”

Mathis also reported on House Bill 1342 that would implement a logging ban on state forest land. He said the bill had been assigned to the Natural Resources Committee. He noted bill author Representative Mark Kruzan “understands [the Department’s] concern about ‘best management practice’ in state logging.” Mathis said he would track the bill and keep the Commission updated. John Davis stated that DNR staff has offered to meet with the constituents of Kruzan. “We want to make sure our processes are ever evolving. Our aim is to go on in our management practices, but we are open to public discussion.” John Goss said since the bill carried a negative fiscal impact of about \$1 million, it would first proceed to the House Ways and Means Committee.

McCormick requested an update on legislation that would modify the two-foot freeboard requirement for buildings constructed in a floodway. Mathis responded the legislation was House Bill 1228. It would provide for the issuance of a permit for the construction of a structure if certain conditions were met and the lowest floor of the structure would not be below the 100-year flood level plus one foot. Mathis said the bill had not yet been scheduled for committee hearing.

Mathis said Senate Bill 301 would transfer jurisdiction over deer held in “domesticated deer farms” from the DNR to the State Board of Animal Health. He indicated the bill was scheduled for hearing in the Senate Natural Resources Committee.

Distribution to Commission Members of Written Materials Not Set For Agenda Action

Chairman Kiley said Doug Burgess, representing Hoosier Field Trial Club, was present and had provided him with copies of information outlining field trial restrictions on lands purchased with Pittman-Roberts funds. Kiley urged members of the Commission to review the information so that “we are conversant with the issue.”

Stephen Lucas provided copies of letters and e-mails received by the Division of Hearings and directed to Commission membership. Included were e-mails by Dave Delaney addressing logging operations at Yellowwood State Forest and a letter by Jeffrey Simpson addressing concerns for the fee increases to hunting and fishing licenses. Lucas

said the Division of Hearings maintained the Commission's website and was its day-to-day presence, and as such, sometimes received communications intended for the NRC. He said the Division of Hearings would also, at future meetings, make copies of the communications on green paper and place them at seats of the members prior to regular monthly meetings.

ADJOURNMENT

At 12:43 p.m., EST, the meeting adjourned.

FUTURE MEETINGS

February 26, 2002, 10:00 a.m., (The Garrison, Ft. Benjamin Harrison State Park, Indianapolis, Indiana)

March 21, 2002, 10:30 a.m., (Mounds State Park Nature Center, 4306 Mounds Road, Anderson, Indiana)

April 24 and 25, 2002 (tentatively set for South Bend)