

DRAFT MINUTES

Nebraska Environmental Trust
1st Quarter Board Meeting
Tuesday, February 2, 2021
1:30 p.m.

Nebraska Department of Environment and Energy
Lower Level Conference Room
245 Fallbrook Blvd.
Lincoln, Nebraska 68521

The Nebraska Environmental Trust Board met at the Nebraska Department of Environment and Energy, Lower Level Conference Room, 245 Fallbrook Blvd., Lincoln, Nebraska for the transaction of business. Advanced public notice was given through release to news media and official public notice in the "Lincoln Journal Star" on Friday, January 15, 2021.

Chairman Kanger called the meeting to order at 1:30 p.m.

Roll call was conducted and a quorum was established.

Members present were: Mr. Jim Hellbusch, Columbus; Mr. John Orr, Blair; Mr. Paul Dunn, Omaha; Mr. Mark Quandahl, Omaha; Mr. Felix Davidson, Valley; Mr. Josh Andersen, Edgar; Mr. Rod Christen, Steinaur; Mr. Quentin Bowen, Humboldt; Mr. Tom Riley, Department of Natural Resources; Mr. Jim Macy, Nebraska Department of Environment and Energy and Mr. Jeff Kanger, Lincoln.

Members absent: Mr. Jim Douglas, Nebraska Game and Parks Commission; Dr. Gary Anthone, Nebraska Department of Health and Human Services and Mr. Steve Wellman, Nebraska Department of Agriculture.

Staff present were: Mr. Mark Brohman, Executive Director; Ms. Holly Adams, Grants Administrator; Ms. Sheila Johnson, Public Information Officer; and Ms. Pam Deines, Administrative Secretary.

Agenda Item #4: Closed Session. Chairman Kanger asked for a motion to go into closed session to discuss pending litigation at 1:31 p.m.

Motion by Mr. Orr to go into closed session seconded by Mr. Christen.

Voting Aye: Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch and Mr. Kanger. Motion carried.

Closed session is limited to discuss litigation, staff and public were asked to leave the room.

Chairman Kanger asked for a motion and a second to reconvene.

Motion by Mr. Orr to come out of closed session to discuss pending litigation seconded by Mr. Quandahl.

Voting Aye: Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr and Mr. Kanger. Motion carried.

The meeting came out of closed session at 2:57 p.m. Mr. Kanger announced a five minute break for board members participating in the closed session. Meeting reconvened at 3:05 p.m.

Agenda Item #3: Minutes of the November 5, 2020 Board Meeting: Minutes of the November 5, 2020 board meetings were received.

Motion by Mr. Orr; seconded by Mr. Quandahl to approve the minutes.

Voting Aye: Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn and Mr. Kanger. **Motion carried.**

Agenda Item #5: Grants Committee Report and Recommendations: Chairman Kanger called on Mr. Steve Knoche from Lewiston School Foundation to comment. Mr. Knoche talked about grant application #21-140, Lewiston Consolidated Schools.

Mr. Kanger called on Mr. Bowen, Grants Committee Chair. Mr. Bowen submitted to the Environmental Trust Board a packet from the Grants Committee with the entire 2021 recommendations packet. Members of the Grants Committee are Mr. Bowen, Mr. Orr, Mr. Riley, Mr. Kanger, Mr. Davidson, and Mr. Wellman.

The enclosed packet includes the following information:

1. Rank Order Listing – the projects are presented in rank order by rated score, including a recommendation for funding amounts. Multi-year recommendations are presented in the columns labeled “Intent Yr. 2” and “Intent Yr. 3”.

2. Award Distribution Map – the figures on the map show total award distributions from 1994 through, and including our recommendations for 2021. Figures summarizing previous and current awards are shown for you in the legend below the map. We awarded 20 points in District 6 for geography this year.

3. Rating Results Sheets – show the rating breakdown for the top 2021 applications.

4. Minutes from the Grants Committee meetings. This completes the report from the Grants Committee. The Grant Committee asks that you accept this report and these recommendations.

Presented to the Environmental Trust board, voting to follow.

Motion By: Mr. Orr: I move to divide the question, to separately consider grant application 21-200. **Seconded By:** Mr. Hellbusch.

Voting Aye: Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl and Mr. Kanger.

Motion carried.

Motion By: Mr. Orr: I move to withdraw grant application 21-200 as requested by the applicant Lower Loup NRD for \$650,000 in Year 1. It is the third project on the rank order list. **Seconded By:** Mr. Hellbusch.

Open to Discussion: Mr. Bowen called on Mr. Brohman to explain why the grant application was withdrawn. Mr. Brohman explained the Lower Loup NRD Board met January 28th and decided to withdraw the project after the landowners took the land off the market.

Voting Aye: Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson and Mr. Kanger.

Motion carried.

Motion By: Mr. Orr: I move to divide the question, to separately consider funding the next seven applications at levels in the 2021 NET Grant Applications-Grants Committee Recommendations, handed out today, February 2, 2021. **Seconded By:** Mr. Macy.

Voting Aye: Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen and Mr. Kanger. **Motion carried.**

Motion By: Mr. Orr: I move to take the funds from withdrawn application 21-200; and fund the next seven grants on the 2021 NET Grant Applications-Grants Committee Recommendations, handed out today, February 2, 2021. This includes grants 21-212 with \$141,143 funding in year 1; 21-180 with \$111,797 funding in year 1; 21-116 with \$95,615 funding in year 1; 21-173 with \$51,100 funding in year 1; 21-210 with \$127,129 funding in year 1; 21-172 with \$91,893 funding in year 1; and 21-125 with \$25,000 funding in year 1. For a total of \$643,677. **Seconded By:** Mr. Davidson.

Open to Discussion: Mr. Quandahl discussed that he may vote against this and Mr. Riley discussed a grant (21-180) that was well written but he was informed that the coordinator for the grant has since left. Mr. Dunn had questions about the 3-year funding requests. Mr. Brohman explained only year one was being funded and if the grant had asked for more than 1 year, they could reapply next year for additional funding. Mr. Christen commented in favor of the Spring Creek Prairie application 21-172. On project, 21-180, the person has left since submitting the grant application,

staff will get additional information and will consult Mr. Riley before the April 8, 2020 Environmental Trust board meeting to seek his input on the project.

Voting Aye: Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Davidson; Mr. Andersen; Mr. Christen and Mr. Kanger.

Abstaining: Mr. Quandahl. **Motion carried.**

Motion By: Mr. Orr: I move to divide the question, to separately consider grant application 21-158. **Seconded By:** Mr. Hellbusch.

Voting Aye: Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen and Mr. Kanger. **Motion Carried.**

Motion By: Mr. Orr: I move to accept the Grants Committee recommendations in the grant package, for application 21-158. **Seconded By:** Mr. Hellbusch.

Discussion: Mr. Riley stated he had a conflict.

Voting Aye: Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen and Mr. Kanger.

Abstaining: Mr. Riley. **Motion Carried.**

Motion By: Mr. Orr: I move to divide the question, to separately consider grant application 21-103. **Seconded By:** Mr. Hellbusch.

Voting Aye: Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen and Mr. Kanger. **Motion Carried.**

Motion By: Mr. Orr: I move to divide the question, to separately consider grant application 20-137-2. Mr. Orr realized he made the wrong motion and continued with the following.

Motion By: Mr. Orr: I move to give notice; it is the board's intent to fund application 21-103, \$3,009,185 in year 2. **Seconded By:** Mr. Macy.

Discussion: Mr. Davidson stated he would abstain because he owns property in close proximity to this property. Mr. Andersen noted he had concerns including a silent funding partner. Mr. Christen had concerns on the gap between the appraisals and actual value. He noted that the grant application stated it would assist in perpetually clearing a significant portion of the flight path approach of the Strategic Air Command (SAC). Mr. Christen asked what that statement actually means. Mr. Brohman pointed out that there are letters from Sarpy County and SAC in the grant package in the board book. The Grants Committee questioned if SAC supported this application and the letter written by SAC was their support response. Mr. Brohman discussed the appraisals and the division of property into two tracts,

one tract to be developed and the other undeveloped tract is seeking Trust funding. He noted the landowner, a Canadian company wanted to sell the entire 863 acres, so Papio-Missouri River Natural Resources District was working with the City of Bellevue and Sarpy County. Mr. Davidson also added some information to clarify the division of the tract of land.

Mr. Quandahl asked a question on the application process of this grant. Mr. Bowen shared some information the Grants Committee also discussed about this grant. Mr. Orr and Mr. Brohman added more information on the property. Papio NRD owns some of the adjacent property. A picture of the tract of land was displayed on screen and Mr. Brohman pointed out the land boundaries.

Voting Aye: Mr. Dunn, Mr. Riley, and Mr. Kanger

Voting Nay: Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Quandahl; Mr. Andersen; Mr. Christen and Mr. Bowen.

Abstaining: Mr. Davidson. **Motion Failed.**

Motion By: Mr. Orr: I move to divide the question, to separately consider grant application 20-137-2. **Seconded by:** Mr. Hellbusch.

Voting Aye: Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley and Mr. Kanger.

Motion Carried.

Motion By: Mr. Orr: I move to accept the Grants Committee recommendations in the grant package, for application 20-137-2. **Seconded By:** Mr. Hellbusch.

Discussion: Mr. Macy will be abstaining from the vote.

Voting Aye: Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; and Mr. Kanger.

Voting Nay: Mr. Davidson.

Abstaining: Mr. Macy. **Motion Carried.**

Motion By: Mr. Christen: I move to divide the question, to separately consider grant application 21-184. **Seconded By:** Mr. Hellbusch.

Voting Aye: Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy and Mr. Kanger. **Motion Carried.**

Motion By: Mr. Christen to remove grant application 21-184 from the ranking list. **Seconded By:** Mr. Quandahl.

Discussion: Mr. Christen started the discussion on the project noting he did not think sumac was on the invasive species list. He stated The Nature Conservancy has 26,871 acres under easement and he asked if the land this work will be demonstration on is under easement and maintenance is already required. Mr.

Brohman explained the nature of the grant application and if sumac is not an invasive species, there would be no requirement to control it and after the large forest fires in recent years, sumac has become a problem. Local ranchers are having sumac control issues and these schools would help look at control methods like using chemicals and burning. Mr. Christen noted sumac was easy to control and the cost in the application was \$513/acre and sumac does not produce seed until it reaches three or four years old. He said we need to talk to the county weed superintendent and NRCS. Mr. Riley said the project scored high because of geo points. Mr. Christen said the application mentioned Eastern Red Cedar issues were impacted by sumac and he didn't understand that connection. Mr. Christen noted there was no grazing plan mentioned. Mr. Andersen had concerns with the chemical costs. Ms. Adams added the application included treatment plots and to hold field days for local landowners, not just chemical costs. Mr. Hellbusch said the herbicide would kill all broadleaf plants and Mr. Christen said sumac kills very easily.

Voting Aye: Mr. Orr; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; and Mr. Kanger.

Voting Nay: Mr. Dunn. **Motion Carried.**

Motion By: Mr. Christen: I move to divide the question, to separately consider grant application 21-140. **Seconded By:** Mr. Orr.

Voting Aye: Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr and Mr. Kanger.

Voting Nay: Mr. Dunn. **Motion failed. (Vote must be unanimous)**

Motion By: Mr. Bowen: We are now considering the motion to adopt the recommendations of the Grants Committee, set forth in the grants package, for all applications identified in the original motion except those that were divided and previously voted upon excluding 21-184 and including grants 21-200; 21-212; 21-180; 21-116; 21-173; 21-210; 21-172; 21-125; 21-158; 21-103; and 20-137-2.

Seconded By: Mr. Orr. (Was not recognized by the Chairman.)

There was discussion on clarifying the motion.

Motion By: Mr. Bowen: I am going to move again to consider the motion to adopt the recommendations of the Grants Committee, as set forth in the grants package for all the applications identified in the original motion except those that were divided and previously voted upon including grants 21-212; 21-180; 21-116; 21-173; 21-210; 21-172; 21-125; and 20-137-2 and also the grants that were previously voted on to exclude them. Grants 21-103 and 21-184. **Seconded By:** Mr. Orr. (Was not recognized by the Chairman.)

There was discussion on clarifying the motion.

Mr. Bowen and Mr. Orr withdrew the last motion.

Motion By: Mr. Bowen: We are now considering the motion to adopt the recommendations of the Grants Committee, as set forth in the grants package for all applications identified in the original motion except those that were divided and previously voted upon including (21-212; 21-180; 21-116; 21-173; 21-210; 21-172; 21-125; 21-158 and 20-137-2 but excluding 21-200 which was withdrawn and 21-184 and 21-103 which were voted not to be included in the Grant Committee's recommendations. **Seconded By:** Mr. Orr.

Discussion: Mr. Quandahl said thanks to Grants Committee to wade through the applications and providing a template to go through.

Mr. Bowen brought up geo points. The geo points are discussed each year in August and how they dominated the list this year. He suggested the board should have an extended discussion on the geo points at the August meeting. Mr. Orr agreed and Mr. Hellbusch asked if the new board members knew about geo points. Mr. Orr thought, maybe the geo points need be handled differently for the Grants Committee. In summary, more flexibility on the geo points for the Grants Committee, maybe state "up to 20 geo points" instead of "20 geo points." Mr. Riley also added, as a Grants Committee member, the geo points heavily influenced the rankings. Mr. Brohman brought up that he and Mr. Andersen talked about geo points. Mr. Andersen mentioned it might be time to set the geo points at zero and start over.

Mr. Kanger also made comments on the Grants Committee meetings and he appreciated suggestions for change and improvements to the process, such as having one big meeting to discuss grant applications.

Voting Aye: Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl and Mr. Kanger. **Motion Carried.**

Agenda Item #6: Finance Committee Report and Recommendations:

Mr. Kanger called on Mr. Andersen, Finance Committee Chair. Mr. Andersen proceeded to review the Finance Committee meeting from January 26, 2021. Members met via Zoom, present were Mr. Andersen, Mr. Quandahl and Mr. Macy. Mr. Hellbusch was unable to attend, but was informed on the contents of the meeting later the same day. The Finance Committee met for approximately one hour. The objective of the Finance Committee is to provide financial analysis, advice and oversight for the NET organization and fulfill its mission. It was observed by the Committee that the reports entered in by the Department of Administration Services Accounting Division were clear and easy to follow these are the July thru September and October thru December budget status reports. It was also noted that the budget report and Ferguson House report had footnotes listed to find describe irregularities that were found in the report. Most irregularities found in these reports were costs incurred in the beginning of the year and these costs were distributed throughout the course of the rest of the year. Lottery proceeds were also discussed. Staff reported that legalized casino gambling may reduce grant allocation funds. It was noted the grants

disbursement report lacked clarity. Mainly in the column for amount transferred in from previous disbursement on the report, do not clearly convey past financial activity of these grants. The effects of grant modifications to the disbursement funds also are not articulated in this report. Finance Committee is working with staff to make changes for clarity.

Committee Motion By: Committee Chair, Mr. Andersen, moved to accept the financial reports as forwarded by the Finance Committee meeting.

Mr. Dunn clarified it was just to accept the standard Committee reports.

Voting Aye: Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson and Mr. Kanger. **Motion Carried.**

Mr. Kanger directed to Finance Committee Chair, Mr. Andersen.

Committee Motion By: Committee Chair, Mr. Andersen. The Committee also discussed the Ferguson House leases as they pertained to the safety and security concerns of the Ferguson House. Including but not limited to COVID-19, ADA, premises and third-party liability, and potential access to NET information and premises by authorized persons. It was noted that NET's tenancy and operation of the Ferguson House did not facilitate the realization of NET's vision and mission. Acknowledging that time is of the essence regarding this use, the Finance Committee recommends that the board for their consideration: Motion is as follows and this was approved by the Finance Committee. I would like to provide the following motion:

I move that the NET:

1. Make permanent suspension of outside private event rentals of the Ferguson House by the NET as discussed at the board meeting of November 5, 2020.
2. Permanently eliminate all tours, open houses and internal public viewing of the Ferguson House.
3. Eliminate the leasing and use of Ferguson House access and space to third-party organizations and individuals as soon as practicable, beginning with:
 - a. Permanent suspension of future Ferguson House leasing activity to outside parties, beginning immediately.
 - b. Notification to the current tenants that any current leases will expire on June 30, 2021 and will not be renewed or extended, specifically:
 - a. Nebraska Commission on Problem Gambling, and
 - b. Electric Transportation Partners
4. Suspend the Ferguson House Volunteer docent program.

5. Explore alternative locations and space for NET operations that may better facilitate the realization of the vision, mission and purpose of the NET with a report to the full board at the Third Quarter 2021 meeting.
6. Edit and update language on the NET Website to and take all other steps to effectuate the intention of the Board.

Discussion: Mr. Quandahl began discussion stating it was his motion and he drafted it so he wanted to describe why he made the motion. He reviewed the mission statement and with his background he looked at the Ferguson House breakout in the Financial Reports. Other State Divisions do these things and why does the NET board and staff engage in occupation, leasing and maintenance of the Ferguson House. The board needs to focus on the mission of the Trust. The staff letter pointed out many things and he appreciated it and the input and it helps fulfill the mission, but it is not why the NET exists. He is positive there are other space that could assist the NET in fulfilling its mission even better than the Ferguson House. With COVID and the lawsuit, we need to focus on the mission. His focus is on # 5 of the motion. He said it is never a bad idea to re-examine. He said he did not say “terminate” the leases, he said “let leases expire”. The leases were signed last year in March.

Mr. Kanger thanked Mr. Quandahl for the clarification and acknowledged Mr. Orr.

Mr. Orr requested more information before making a decision, including moving expenses and costs of other places. He wants to look at leases, maybe go month to month. Look at how it would affect the taxpayers if we make these decisions without looking into all the information before making a change. What is the plan for the Ferguson House if we move out, what is the impact on the taxpayers for security and preventing vandalism? Mr. Quandahl said the Ferguson House budget is about \$86,000/year. He said the Ferguson House is much more square feet than five staff need. He said he does not want to incur any additional costs. He noted conference rooms are available, like at the lower level of 1526 building, but parking can be a problem. He doesn't want to cause any additional costs or additional burden. It is not our job to be the caretaker of the Ferguson House.

Mr. Hellbusch noted as good stewards it is good to look at ourselves from the outside and refresh ourselves. He thinks it is a bad time to do this with COVID, litigation, and then have staff searching for new locations and moving. He thinks this would be very stressful on the staff. He thinks it is nice to be attached to the icon of the Ferguson House. Senators and others use the house. He doesn't know how much time that is spent on the Ferguson House as compared to the Trust business.

Mr. Kanger asked Mr. Brohman to expand on the issue.

Mr. Brohman gave an overview of how much time is spent on the Ferguson House by the Staff and his own time. We have ten volunteers that staff events. He noted the State only

charges us for the amount of space that we occupy on the 2nd floor, library and basement which is 3,500 square feet (out of a 10,000 square foot building) and we are allowed to use the living room, dining room and kitchen at no charge. Our actual charge is about two to three dollars a square foot. We have three board meeting each year, 3 to 4 grantee seminars every year, committee meetings and meetings requiring large rooms. It seems premature to make this change, as we will lose our two tenants right away. Mr. Brohman said he understands what Mr. Quandahl is getting at and we can evaluate costs, but why would you want to lose tenants in the mean time. Mr. Brohman mentioned we would lose \$11,100/year from the two leases and we are paying \$8,500/year, so the two tenants are paying for our lease, plus some utilities and other costs.

Mr. Bowen feels the Ferguson House isn't going to get boarded up if we don't hold events anymore. Mr. Bowen stated that Mr. Quandahl said there is state government who handles this. This motion is allowing leases to expire with plenty of time. Senators can figure out another locations for events. Mr. Bowen will vote no at any attempt to amend this motion. As he noted, all it is saying is that we are going to explore the options.

Mr. Bowen asked Mr. Brohman to explain the history of why the Environmental Trust is at the Ferguson House. Mr. Brohman continued with a brief description of the Environmental Trust and that it was located in the Game and Parks Commission building when it originated. Game and Parks needed the space and the Environmental Trust needed more space. Research from the report, Program Evaluation Unit (PEU) Legislative Research Division, Nebraska Legislature, suggested the Trust move out of Game and Parks, as that was too much tie to them. The Trust moved to the Ferguson House in 2004.

Mr. Andersen wanted to make a point of clarification after listening to comments, as the motion is stated, it is not kicking anyone out, it is just letting the leases expire. It is specific regarding staff, it does not remove your position from the Ferguson House, it allows the board to consider alternate places to look at.

Mr. Macy asked about the move of NET from Game and Parks because of financial ties and asked is there any sub-grantees that are housed in the Ferguson House. Mr. Brohman responded that the Electric Partnership is in the basement and they have not directly received the grant but the Nebraska Community Energy Alliance has received grants.

Mr. Riley wanted to thank the Finance Committee. It seems the overall motion is very large and most of the focusing has been around item #5 that is reasonable to do. It has many other components that are hard to separate out. There should be a separate motion to research the exploration of the space and costs.

Mr. Dunn agreed exploring one component rather than trying to cover so many items in the motion. Mr. Dunn agreed with Mr. Hellbusch that there is an aura about being in the building rather than being in cubicles. He said we could find out cost relationships to

compare to see where it is. Even though a decision is not written in stone, it sure seems to be.

Mr. Hellbusch was concerned if you kick out the tenants before we have enough information and possibly stay in this location, you are losing out on income. Mr. Quandahl noted leases would not be renewed or extended on July 1, 2021, and Mr. Hellbusch said he has a problem with that.

Mr. Bowen noted we should lose the tenant in the basement, being sued and all.

Mr. Davidson appreciated a letter from staff and secondly he also thought exploring options is always a good option.

Mr. Christen thanked staff and he was curious how this would affect staff. He thought the Ferguson House was cool, but it can be a comfortable setting for those more experienced on the board and making it seem to be too homey.

Voting Aye: Mr. Bowen; Mr. Macy; Mr. Quandahl; Mr. Andersen and Mr. Kanger.

Voting Nay: Mr. Riley; Mr. Hellbusch; Mr. Orr; Mr. Dunn and Mr. Davidson.

Abstaining: Mr. Christen. **Motion Failed.**

Agenda Item #7: Staff Report:

a.) Ferguson House Report. Mr. Kanger called on Mr. Brohman for the Ferguson House Report. We have the proposed calendar to check for conflicts. The 2022 meeting calendar will be on the April board meeting for approval.

b.) Grants Administration Report. Mr. Brohman turned it over to Ms. Adams. Mr. Macy asked about the Fontenelle Forest grant and why staff had approved a modification after the board turned down a modification at the last board meeting. Mr. Brohman explained the modification brought to the board in November was shifting \$48,072 and included buying a UTV that was not in the grant. The modification requested today was shifting \$6,572 or about 1.5% of the grant. Ms. Adams noted Mr. Macy expressed during the Finance Committee meeting, it would be good to look at the breakout reasons for extensions and modifications. Ms. Adams noted she would try to do that and gave a report on this set of grants.

d.) Director's Comments: Mr. Brohman handed out additional information on the Roundtable Category meeting that UNL staff provided from the Zoom meetings including the follow-up survey of participants. He noted the job announcement is ready to go out for the vacant position in the office.

Agenda Item #8: Grant Modifications Request:

Mr. Andersen asked for clarification on the modifications, staff approved and board approved. Mr. Brohman explained the breakdown on the differences between the two and

he said modification into personnel costs go to the board, if more than a couple percent of the grant and if it is over 10 to 15 percent in other categories it is presented to the board. Ms. Adams also added some clarification on percentages and how the decision determined what is forwarded to the board. Mr. Orr also added to the discussion. Mr. Andersen asked if there was a written policy and Mr. Brohman responded no.

Motion By: Mr. Quandahl made a motion that any budget modifications whether they be time or category shall come before the board until such time the board agrees on policies for the staff to approve modifications. **Seconded By:** Mr. Macy.

Discussion: Mr. Orr questioned who works on that policy. Mr. Andersen volunteered the Finance Committee to write the policy. Mr. Davidson said he was interested in how it works, believes it could be complicated and feels it would be a good idea to simplify it and make it better. Mr. Dunn had one concern is that by stopping all modifications it is going to significantly disrupt the grantees who are wanting to wrap up their grants and may have to rely on extensions to be able to complete the grant.

Mr. Riley said simplification should maybe be included on other policies in the manual.

Mr. Hellbusch noted modification requests by the staff do this as their job and suggest the staff make recommendations to the board rather than having the board study the grant.

Mr. Andersen had a few more thoughts on the modification process to be more uniform.

Mr. Bowen feels that as the modifications have been at the end of the meeting, maybe the time isn't taken to look closely at these modifications.

Mr. Dunn questions if we should break it down requesting too much detail which benefits grant applicants differently.

Mr. Andersen added more on his request on making the policy on the modifications, that it will treat all grant recipients the same.

Mr. Quandahl restated the motion.

Mr. Bowen suggested a friendly amendment to the motion that would allow modifications \$12,000 and below. This was turned down.

Mr. Andersen suggested a friendly amendment to the motion that the Finance Sub-Committee will bring a motion on the policy to the board in the April meeting.

Mr. Macy stated that all grant modifications whether they be budgetary or time be fielded by the board until such time that the Finance Committee brings a policy for the full board to execute. Mr. Quandahl and Mr. Macy approved.

Mr. Kanger asks for the amended motion:

Motion By: Mr. Macy: All grant modifications whether they be time or budget be done by the Board until such time that a policy is adopted by the Board and that the Finance Committee submits that policy recommendation at the April meeting. **Mr. Quandahl** was in agreement with the amended motion as stated.

Discussion: Mr. Kanger reviewed the motion. Ms. Adams noted that staff approved two or three modifications after the board book was put out, so she was making sure that was ok. No objections were registered.

Mr. Bowen asked for clarification if the motion fails can the Finance Committee still provide a draft Policy for the Board at the April 4, 2021 meeting.

Mr. Hellbusch added nothing would be suspended if the motion did not pass.

Mr. Orr also wants to make sure intent of the board is to be fair for all the grantees. Mr. Dunn said he was not opposed to having it written down and having clarity but he is against stopping things and piling up on paperwork.

Mr. Macy questioned how much paperwork could accumulate before the next meeting. Mr. Macy stated as this meeting has lasted longer than usual, he is willing to put in the extra hours to be clear and transparent.

Voting Aye: Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Quandahl; Mr. Davidson; Mr. Andersen; and Mr. Christen.

Voting Nay: Mr. Dunn; Mr. Bowen and Mr. Kanger. **Motion Carried.**

Grant Modification Request:

A. 15-172 - Angels on Wheels – Recycling Warehouse (Pages 3-4).

The sponsor is requesting a one-year extension, to the expiration date to Dec. 31, 2021. The sponsor reports that due to COVID-19, their contractors were unable to secure materials and employees needed to complete the warehouse.

As of Jan. 21, 2021, no funding has been disbursed for this project.

Mr. Hellbusch suggested to go through the summary of all modifications, then voting.

B. 18-135-2 – Tri-Basin NRD - Hydrologic Monitoring and Assessment of Upper Little Blue River Basin (Pages 5-6).

The sponsor is requesting a one-year extension to Dec. 31, 2021. They report that due to the impact of COVID-19, and travel restrictions; their field work was not completed. The sponsor is proposing to complete their field work during the summer of 2021. The extra time will allow them to compensate for any weather-related delays and to be able to finish their reporting on the project.

- C. 19-138-2 – BOR-UNL - Developing a decision-support tool for the successful incorporation of cover crops into Nebraska cropping systems (Pages 7-8).

The sponsor is requesting a budget modification to move grant funding from the operating and travel categories into the personnel category. Due to COVID, they were unable to hold their proposed conference. The sponsor also reports that due to a coding error, they are short grant funds in their personnel category. Their Holland Computing Center fee, which was proposed as an operating expense, was actually reported and coded in the personnel category. This budget modification corrects their oversight in their budget.

- D. 19-174 – Lower Platte North NRD - Shell Creek Enhancement Plan: Phase II (Pages 9-10).

The sponsor is requesting a budget modification to move funding from their best management practices category into the water quality structures category. They reported that they were working with Colfax County to complete a much larger railroad bridge and a new county bridge that is needed along Shell Creek. They state that these structures will result in improving water quality as well as help lessen flooding impacts in the area.

- E. 19-206 – Nebraska Conservation Education Fund - NCEF Common Ground Program (Pages 11-15).

The sponsor is requesting a budget modification to move funding from the AmeriCorps travel, program evaluation, and staff travel categories into the education events, program director, and supplies categories. They stated that due to COVID-19, they have been unable to hold in person meetings and instead have been holding their educational events through Zoom Webinars. This shift in funds will help them continue this program.

- F. 20-136 – Twin Valley Weed Management Area - Eastern Republican and Little Blue Watershed Improvement Project (Pages 16-18).

The sponsor is requesting a budget modification to move funding from their channel and tributary excavation and terrestrial habitat improvements categories into the mechanical vegetation clearing and meetings and education categories. They report that they received funding from the Nebraska Dept. of Agriculture that was used for the channel and tributary excavation. They also stated that there has been a higher demand for cedar tree removal and there has been unexpected higher costs associated with their meetings and education category. Staff recommends approving this modification request.

Motion by: Mr. Dunn made a motion to approve items A and B, which is to extend a one year extension. **Seconded By:** Mr. Macy.

Discussion: Mr. Christen asked about A; Angels on Wheels.

Mr. Anderson and Mr. Macy also had questions about the timeframe and details of this grant. It had been noted that they had been granted three extensions to this grant. Mr. Davidson noted extending grants adds to the complexity, longevity of not accomplishing in the timeframe and funds could be used for other projects. Lot of administrative overhead.

Mr. Macy retracted his second to the motion.

Mr. Dunn withdrew his motion.

Mr. Kanger asked for a new motion.

Motion By: Mr. Orr made a motion to deny modification to A. **Seconded By:** Mr. Macy.

Discussion. Mr. Christen asked if any funds have been disbursed. Ms. Adams and Mr. Brohman both confirmed, no funds have been distributed.

Voting Aye: Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen, Mr. Bowen and Mr. Kanger. **Motion carried.**

Motion By: Mr. Macy made a motion to approve B, 18-135-2. **Seconded By:** Mr. Orr.

Voting Aye: Mr. Riley; Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Christen and Mr. Kanger.

Voting Nay: Mr. Davidson; Mr. Andersen; and Mr. Bowen. **Motion carried.**

Motion By: Mr. Hellbusch made a motion to approve D. **Seconded By:** Mr. Macy, but stated he will abstain in voting because NDEE may have an interest.

Voting Aye: Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley and Mr. Kanger.

Abstaining: Mr. Macy. **Motion carried.**

Motion By: Mr. Bowen made a motion to approve C, E, and F. **Seconded By:** Mr. Riley.

Voting Aye: Mr. Macy; Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley and Mr. Kanger.

Motion carried.

Agenda Item #9: Report of Legislative Committee.

Mr. Dunn, Chair of Legislative Committee. Initially, other than the budget hearing we were not directly affected by any legislation until today, Mr. Riley just informed us that Senator

Slama introduced LR 34, “Interim study to examine the structure and funding of the Nebraska Environmental Trust.”

Motion By: Mr. Dunn from the Legislative Committee for the board to authorize Mr. Brohman to be present at the public hearing on budget for the Environmental Trust.

Discussion: Mr. Macy asked if we had budget items. Mr. Brohman said the Governor’s budget gives the Trust an additional spending authority of \$500,000 in year 2.

Mr. Davidson asked if it would be worthwhile to engage Senator Slama, to see what they want and better understand purpose, be proactive rather reactive. Mr. Bowen suggested not taking action.

Voting Aye: Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; and Mr. Kanger. **Motion carried.**

Agenda Item #10: Report of the Performance Review Committee. Mr. Davidson gave a report on the Performance Review Committee meeting from January 7, 2021. Initial meeting met in open forum to form ideas we could do better to improve the output of the grants that we fund. Narrowed it down at the meeting and at the recent meeting they focused on top ideas. Decided to focus on creating some standards for the Grants Committee to use for any grant where there is a land acquisition or transfer. That is where we are going to focus first. Anyone interested is welcome. Next up on list is creating feet on the ground, validation of the work that was done by trained biologist or board members but focusing on the standards first.

Agenda Item #11: Financial and Performance Audits: Follow up from Board action of the November 5, 2020 meeting. Mr. Macy has taken point.

Mr. Macy reported that he meet with Jason Jackson who is the Director of Nebraska Department of Administrative Services and at no cost, that group would be more than happy to do a statutory/regulatory compliance review, a review of recent audit findings, a review of policy and internal control best practices applications and general findings related to teammate engagement and performance they could accomplish this within 2-3 months so that by the spring of 2021 they would be done. Further scoping, Director Jackson would be great to come in and talk to us, but we need to decide on preceding with that. Mr. Davidson previously meet with the State Auditor on financial side of the audit there is date open on financial side of the state audit, which is routine with code and non-code agencies, at some cost. Between the two it would lead toward policy recommendations and action for the whole body to take action on.

Mr. Orr wondered if this isn’t the same as LR 34. He read LR34 to the board.

Mr. Macy noted if the reviews were completed, they could be given to the Natural Resource Committee.

Motion By: Mr. Orr made a motion that we proceed with the general services and financial audit done by the State Auditor. **Seconded By:** Mr. Macy

Mr. Bowen asked about the Department of Administrative Services.

Mr. Macy restated the motion: Department of Administration and State Auditor each do a separate audit. DAS do a Performance audit and State Auditor do a fiscal audit of Environmental Trust. **Mr. Orr agreed.**

Voting Aye: Mr. Hellbusch; Mr. Orr; Mr. Dunn; Mr. Quandahl; Mr. Davidson; Mr. Andersen; Mr. Christen; Mr. Bowen; Mr. Riley; Mr. Macy; and Mr. Kanger. **Motion carried.**

Agenda Item #12: Public Comment and Good of the Order: Mr. Macy commented to the public about outside waiting area and lack of furniture.

Mr. Andy Bishop commented on his appreciation of the Environmental Trust.

Mr. Christen wanted to disclose that if anyone was wondering, the input that he weighed in on the Lewiston School District, he wanted everyone to know that is not the district that he is in. He's in the HTRS District, that's where his taxes go. However, he does have children that attend that school and pushed for it because they have an amazing opportunity putting up a new educational facility. The push was to make it more than an ag building to make it a resource learning center, outdoor classroom kind of thing.

Mr. Kanger stated the Executive Committee will do an update on Mr. Brohman's performance report. They will get together in February to report back in April.

Mr. Kanger brought up a request of Mr. Douglas to change the next board meeting to April 1st. Mr. Macy objects because of Holy week and Mr. Hellbusch agrees. Mr. Kanger stated the date would remain April 8th.

Agenda Item #13: Date and Location of the next meeting. Mr. Macy offered his facility as the location for the next board meeting. The next meeting will be on Thursday, April 8, 2021 at 1:30 p.m. at the Nebraska Department of Environment and Energy Office.

Agenda Item #14: Adjourn; Mr. Kanger adjourned the meeting at 6:10 p.m.

Respectfully submitted,

Mark A. Brohman
Executive Director