

# MINUTES

Nebraska Environmental Trust Board  
First Quarter Meeting  
Thursday, February 6, 2025  
1:30 p.m.

## 1. Call to Order

Chair Christen called the virtual, on-site meeting of the Nebraska Environmental Trust Board (NET) to order at 1:30 p.m. in Suite 310, 2077 N Street, Lincoln, Nebraska.

Advanced notice of the meeting and public hearing was published in the Lincoln Journal Star on January 28, 2025. The agenda and documents to be considered at the meeting were provided. The Open Meetings Act was posted near the meeting room entrance and on the Nebraska Environmental Trust website.

Roll call was conducted, and a quorum was present.

### **Members Present (11):**

**District I:** Jeff Kanger, Lincoln; James Hellbusch, Columbus

**District II:** Felix Davidson, Valley; Mark Quandahl, Omaha; Roger Helgoth, Omaha

**District III:** Chair Rod Christen, Steinauer; Josh Andersen, Edgar; Eric Hansen, North Platte

**State Agency Representatives:** Jesse Bradley, Interim Director, Nebraska Department of Natural Resources; Tim McCoy, Director, Nebraska Game & Parks Commission; Vice-Chair Sherry Vinton, Director, Nebraska Department of Agriculture

### **Members Absent (3):**

**State Agency Representatives:** Ted Vasko, Papillion; Charity Menefee, Director, Nebraska Department of Health and Human Services; Kara Valentine, Interim Director, Nebraska Department of Environment and Energy

**Staff Present:** Karl Elmshaeuser, Executive Director; Holly Adams, Grants Administrator; Madison Moe, Grants Assistant; and Sandra Weaver, Administrative Specialist

## 2. Consent Agenda

### Background on Consent Agenda Items

The consent agenda included the November 7, 2024, Board meeting minutes, financial reports, approval to set financials aside for audit, the Grant Disbursement Report, the Nebraska Lottery Proceeds Allocation Report, and the Grant Administration Report.

**Motion by** Helgoth, seconded by Quandahl, "I move to approve the consent agenda."

**Voting Aye:** Hellbusch, Davidson, Quandahl, Helgoth, Andersen, Hansen, McCoy, Bradley, Vinton, Kanger, Christen

**Absent:** Menefee, Vasko, Valentine

**11 Voted Aye. Motion carried.**

Charity Menefee arrived at 1:39 p.m.

## 3. Public Comment

Alex McKiernan, Nebraska Grazing Lands Coalition (NGLC), commented that ranchers use grazing practices such as fencing and water development to manage grasslands and provide environmental benefits. Concern was raised regarding the discussion on real property improvements in item 11 of the agenda.

Ashley Garrelts, Sandhills Task Force, expressed concern regarding a denied reimbursement request for fencing related to a grazing improvement project not categorized under real estate in their budget. The Board was asked to consider grazing practices as a means of habitat improvement and to allow the categorization of the fencing expenses under contractual services.

Shelly Kelly from the Sandhills Task Force commented on the advantages of grasslands for both the beef industry and the public, highlighting the significance of grazing practices. It was noted that fencing, tanks, pipelines, and similar structures are subject to cost-sharing and maintenance agreements with the landowners.

#### **4. Board Development – Informational reviews**

##### **a. Accountability and Disclosure – Conflicts of Interest Statement & Reporting**

Executive Director Elmshaeuser reminded the Board members that they are subject to the conflicts of interest provisions of the Nebraska Political Accountability and Disclosure Act (NPADA). A Potential Conflict of Interest Statement must be filed whenever a potential conflict-of-interest situation arises. As per Neb. Rev. Stat. § 49-1493, NET board members must submit a Statement of Financial Interests annually, on or before March 1<sup>st</sup>. A Statement must also be filed when a member leaves the NET Board.

Mr. Hellbusch commented on a Midwest Messenger article by Jaclyn Wilson, concerning the invasion of eastern red cedar. Currently, the Trust is funding 27 programs to eradicate eastern red cedar. It was questioned why the tree is still being distributed despite its destruction of grasslands.

#### **5. Public Hearing on Proposed Funding List for the 2025 Grant Cycle**

As presiding officer, Mr. Quandahl opened the public hearing at 1:46 p.m. to accept testimony on the 2025 proposed grant funding recommendations under consideration by the Nebraska Environmental Trust Board, pursuant to Neb. Rev. Stat., Sections 81-15,167 through 81-15,176.

##### **Testimony During Hearing**

Dakota Staggs, Nebraska Children and Families Foundation, testified on the benefits and the background of project 25-113, which aims to expand the Nebraska Youth Conservation Initiative.

Katie Torpy, The Nature Conservancy, testified about the necessity of programmatic funding from the perspective of an organization implementing conservation solutions with private landowners.

The public hearing concluded at 1:54 p.m.

#### **6. Basic Grant Contract updates**

The NET Trust 22 Committee collaborated with the former Center for Operational Excellence staff to improve NET processes. One significant improvement was updating the contractual grant requirements. This update is now included in the annual review process of the contract terms. Executive Director Elmshaeuser indicated that the proposed basic grant contract incorporates the changes to policies regarding real and personal property approved by the NET Board on May 2, 2024.

**Motion by** Quandahl, seconded by Andersen, "I move that the NET Board approves the standard conditions grant contract for grant awards and that the Executive Director shall have discretion to negotiate specific conditions as allowed in Title 137, Chapter 8."

**Discussion:** None

**Voting Aye:** Davidson, Quandahl, Helgoth, Andersen, Hansen, McCoy, Menefee, Bradley, Vinton, Kanger, Hellbusch, Christen

**Absent:** Vasko, Valentine

**12 Voted Aye. Motion carried.**

## **7. Grants Committee Report and Recommendations: Award of 2025 Grants**

Chairman Kanger of the Grants Committee reported that the committee met on December 5, 2024, to develop funding recommendations. The scoring was based on eligibility recommendations approved by the NET Board on November 7, 2024. Each committee member independently reviewed the applications, and the scores were combined for the final score for each grant application. The committee considered the qualitative components and recommended an average score of 29.76 or higher for funding.

**Motion by** Kanger, second by Menefee, “As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board accept and approve the following grant application, as recommended by the Grants Committee, and authorize the Chairperson and Executive Director to sign the award letter and contract: 25-137.”

**Discussion:** None

**Voting Aye:** Davidson, Quandahl, Helgoth, Andersen, Hansen, McCoy, Menefee, Bradley, Vinton, Hellbusch, Christen

**Abstaining:** Kanger

**Absent:** Vasko, Valentine

**11 Voted Aye. 1 Abstained. Motion carried.**

**Motion by** Kanger, seconded by Hellbusch, “As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board accepts and approves the following grant applications, as recommended by the Grants Committee, and authorize the Chairperson and Executive Director to sign the award letters and contracts: 25-161, 25-164, and 25-160.”

**Discussion:** None

**Voting Aye:** Quandahl, Helgoth, Andersen, McCoy, Menefee, Bradley, Vinton, Kanger, Hellbusch, Davidson, Christen

**Abstaining:** Hansen

**Absent:** Vasko, Valentine

**11 Voted Aye. 1 Abstained. Motion carried.**

**Motion by** Kanger, seconded by Menefee, “As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board accepts and approves the following grant applications, as recommended by the Grants Committee, and authorize the Chairperson and Executive Director to sign the award letters and contracts: 25-102, 25-106, 25-124, 25-126, 25-142, and 25-155.”

**Discussion:** None

**Voting Aye:** Helgoth, Andersen, Hansen, Menefee, Bradley, Vinton, Kanger, Hellbusch, Davidson, Quandahl, Christen

**Abstaining:** McCoy

**Absent:** Vasko, Valentine

**11 Voted Aye. 1 Abstained. Motion carried.**

**Motion by** Kanger, seconded by McCoy, “As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board accepts and approves the following grant applications, as recommended by the Grants Committee, and authorize the Chairperson and Executive Director to sign the award letters and contracts: 25-127, 25-134, 25-131, 25-116, 25-128, 25-135, 25-117, 25-107, 25-114, 25-130, 25-109, 25-112, 25-118, 25-156, 25-132, 25-115, 25-163, 25-153, 25-149, 25-165, 25-144, 25-121, 25-104, 25-147, 25-122, 25-140, 25-154, 25-101, 25-138, 25-143, 25-113, 25-139, 25-166, 25-110, 25-150, 25-111.”

**Discussion:** None

**Voting Aye:** Andersen, Hansen, McCoy, Menefee, Bradley, Vinton, Kanger, Hellbusch, Davidson, Quandahl, Helgoth, Christen

**Absent:** Vasko, Valentine

**12 Voted Aye. Motion carried.**

## 8. Legislative Committee Report

Executive Director Elmshaeuser provided background information for the following legislative bills of concern:

- LB261 – Administration's recommended budget for the NET and fund transfers
- LB264 – Proposed statutory changes and redirection of NET funding
- LB638 – Directs the Nebraska Department of Natural Resources to apply for NET funding and directs how it would be handled

Chairman Andersen of the Legislative Committee reported that the committee met via Zoom on January 30, 2025, to review the language and purpose of LB261, LB264, and LB 638. Executive Director Elmshaeuser outlined the possible impacts on the Trust and addressed technical and mechanical concerns for discussion. The committee recommended that Executive Director Elmshaeuser testify on behalf of the NET Board in a neutral capacity and provide considerations for the technical and mechanical defects at the legislative hearings.

**Motion by** Kanger, seconded by Menefee, “I move to affirm the actions and positions of the NET Legislative Committee for LB261, LB264, and LB638.”

**Discussion:** The process and implications of the neutral hearing testimony were summarized. It was clarified that LB638 requires the Department of Natural Resources (DNR) to apply for a grant from the Trust. The DNR will need to meet the same eligibility requirements and follow the same scoring process as other applicants.

**Voting Aye:** Hansen, Menefee, Vinton, Kanger, Hellbusch, Davidson, Quandahl, Andersen, Christen

**Voting Nay:** Helgoth

**Abstaining:** McCoy, Bradley

**Absent:** Vasko, Valentine

**9 Voted Aye. 1 Voted Nay. 2 Abstained. Motion carried.**

## 9. Closeout Report of Grants

### Background on the Closeout Report

A grant contract may be terminated by mutual agreement before the contract end date. The Sponsor

shall not incur new obligations for the terminated portion after the effective date and shall cancel as many outstanding obligations as possible.

Grants Administrator Adams summarized the reasons for the withdrawal requests for projects 23-132, 24-140, and 24-168.

**Motion by** Quandahl, seconded by Helgoth, "I move to approve the grant closeout report provided and presented by NET staff, for the closeout of the projects presented in the report."

**Discussion:** Grants Administrator Adams clarified that the Grants Disbursement Report, shows the unspent balance for all open grant projects. The amount is dependent on the phase of the grantee's project.

**Voting Aye:** McCoy, Menefee, Bradley, Vinton, Kanger, Hellbusch, Davidson, Quandahl, Helgoth, Andersen, Hansen, Christen

**Absent:** Vasko, Valentine

**12 Voted Aye. Motion carried.**

## 10. Grant Modification Requests

### a. Extension Request: 24-133 and 22-162-2

**Motion by** Davidson, seconded by Menefee, "I move to approve FarWide Conservation Trust's request to extend project 24-133 for one year."

**Discussion:** Concern was expressed about whether there was enough information on the project delay to support an extension. Reviewing a project schedule was suggested. Mr. Bradley noted FarWide had contacted the Nebraska Department of Natural Resources about their project and was advised not to divert the creek channel during irrigation season.

**Voting Aye:** Menefee, Bradley, Hellbusch, Davidson, Hansen, McCoy, Christen

**Voting Nay:** Vinton, Kanger, Quandahl, Helgoth, Andersen

**Absent:** Vasko, Valentine

**7 Voted Aye. 5 Voted Nay. Motion carried.**

**Motion by** McCoy, seconded by Davidson, "I move to approve the City of Papillion's request to extend project 22-162-2 for one year."

**Discussion:** Grants Administrator Adams noted the grant was in its second year, and no funding has been spent. The grant will expire on June 30, 2025. Concern was raised that the project was not on schedule. If a grant extension request includes construction projects, Mr. Kanger suggested it would be useful if staff could provide the Board with the grantee's project schedule. Another extension request could be made before the May 1, 2025, meeting. Executive Director Elmshaeuser added that grantees are encouraged to plan additional time beyond their initial estimates in their application. This helps address any unforeseen time constraints in the grant period. Grantees are required to provide a calendar spending plan when their projects are awarded. This tool also helps the grantee to monitor their progress.

**Voting Aye:** Bradley, Davidson, Quandahl, Hansen, McCoy

**Voted Nay:** Vinton, Kanger, Hellbusch, Helgoth, Andersen, Menefee, Christen

**Absent:** Vasko, Valentine

**5 Voted Aye. 7 Voted Nay. Motion failed.**

The Board took a break from 2:45 p.m. to 2:52 p.m.

## 11. Nebraska Environmental Trust Policy Discussion

- a. Project versus Program Funding
- b. Real Property Improvements
  - i. Habitat Improvements
  - ii. Fixed ASSET Improvements

### Background of Agenda Item 11

The threshold for real property improvements is established by Neb. Rev. Stat. § 77-1318.01, which requires a report to be filed with the county assessor when a planned improvement exceeds a value of \$2,500. In the statute, "improvements to real property" encompasses all enhancements or modifications. Under property and real estate law, an improvement is any positive permanent change to the land that increases the property value. Habitat improvements are not fixed assets and generally involve an easement. If not, funding needs to be safeguarded for a duration. Board policy does not currently distinguish between types of real property improvements in grant projects, such as fixed assets and habitat improvements. If the Board funds an easement or purchase of real estate, the warranty deed will include a clause that the property owner must return to the Board before the property is sold, transferred, or encumbered. The useful life of real property improvements varies, and encumbering deeds for all land improvements would present significant challenges. Land improvements can include new structures, renovations, installing utilities, engineering services, new systems, pools, fencing, retaining walls, parking lots, driveways, foundations, and more. An item that can be easily removed is considered personal property and, in general, is not transferred with the sale of a property. Real property improvements differ from routine maintenance, such as minor landscaping or painting, which typically does not affect property value.

Executive Director Elmshaeuser clarified that agenda item 11 was intended for discussion only. The discussion will help determine how the Board wishes to proceed with real property improvements involving public funds.

Questions vetted during the Board discussion included:

- How long should real improvements be maintained before public investment from the public funds is fulfilled, and what is the proper method to ensure that?
- Should all real property improvements be handled the same way or differently? Should real property improvements with a shorter life be handled differently in policy?
- When public funds are used for fixed asset improvements, what monetary limit does the Board want to set before a return comes back to the Trust when sold?
- If \$50,000 in improvements were added to private property with public funds, is the grant period sufficient to say it has been fulfilled? If the property sells for a higher dollar, should the fulfillment period be longer, and what is the proper instrument to use?
- Because a property improved by public funds may be sold at a higher price after the improvements are added, does the Board have a dollar threshold for a limitation to be placed on the deed that states when the property is sold (within a specific time), an amount must come back to the Board?
- If \$10,000 in funding is spent on a fence, does it need to be reflected in a deed, grant contract, or secondary agreement? What kind of real property improvement or dollar amount would trigger these instruments to ensure the public benefits from their investment?

- What type of maintenance agreement could be in place to ensure the public benefits from the investment of their dollars?
- Should the Board have some discretion on each project when there are real property improvements?
- How can methods be implemented to reduce the management reporting burden on staff?

Executive Director Elmshaeuser stated that proposals to address real property improvements will be presented to the Board at a future meeting. A member requested a demonstration to show how the proposed policies will affect existing grant programs.

## **12. Directors Report – Recognition of NET Board Members**

Board members Jeff Kanger (Congressional District 1), Felix Davidson (Congressional District 2), and Josh Andersen (Congressional District 3) were acknowledged for their exceptional service on the Nebraska Environmental Trust Board. Their terms will expire on March 10, 2025.

## **13. Next Meeting**

Thursday, May 1, 2025, Telegraph Lofts West, 2077 N St, Suite 310, Lincoln, NE 68510, 1:30 p.m.

## **14. Adjourn**

Chair Christen adjourned the meeting at 3:55 p.m.



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Karl L. Elmshaeuser  
Executive Director