

# MINUTES

Nebraska Environmental Trust Board  
Second Quarter Meeting  
Thursday, May 1, 2025  
1:30 p.m.

## 1. Call to Order

Chair Christen called the meeting of the Nebraska Environmental Trust Board (NET) to order at 1:33 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 April 22, 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 (8):**

**District I:** Ted Vasko, Papillion

**District II:** Mark Quandahl, Omaha; Roger Helgoth, Omaha

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

**State Agency Representatives:** Charity Menefee, Director, Nebraska Department of Health and Human Services; Tim McCoy, Director, Nebraska Game & Parks Commission; Vice-Chair Sherry Vinton, Director, Nebraska Department of Agriculture

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

**District 1:** James Hellbusch, Columbus, Jeff Kanger, Lincoln

**State Agency Representatives:** Jesse Bradley, Interim Director, Nebraska Department of Natural Resources & 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 February 6, 2025, Board meeting minutes, financial reports, approval to set financials aside for audit, the Grant Disbursement Report, and the Nebraska Lottery Proceeds Allocation Report.

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

**Voting Aye:** Vasko, Quandahl, Helgoth, Hansen, McCoy, Menefee, Vinton, Christen

**Absent:** Bradley, Hellbusch, Kanger

**8 Voted Aye. Motion carried.**

## 3. Public Comment

Shelly Kelly, Sandhills Task Force, addressed concerns with the proposed policy in agenda item 12.a. The policy would require landowner agreements for fencing projects classified as real property improvements costing \$25,000 or more.

Krystal Stoner, Audubon Society, commented on concerns with the proposed policy change in agenda item 12.a. for funded real estate improvements.

#### 4. Board Development

Executive Director Elmshaeuser reminded the Board that a minimum of eight members is needed to establish a quorum. The terms of three Board members expired on March 10, 2025. Jeff Kanger was reappointed on April 21, 2025. A hearing with the Natural Resources Committee to obtain legislative approval is scheduled for May 8, 2025. The reappointment of Josh Andersen is awaiting the Governor's signature.

Members who have not filed an NDAC C-1 Statement of Financial Interests with the Nebraska Accountability and Disclosure Commission were urged to do so. The deadline was March 1.

Charity Menefee will resign from her position as the Director of the Public Health Division of the Department of Health and Human Services (DHHS) on May 9, 2025. Ms. Menefee recently retired as a lieutenant colonel after 25 years of service in the Tennessee Air National Guard. Executive Director Elmshaeuser recognized Ms. Menefee on behalf of the Board for her exemplary service to the Environmental Trust Board, the State of Nebraska, and the nation.

On April 28, 2025, an online training session titled "Get to Know Your Grant" was conducted for grantees, with 39 participants in attendance.

#### 5. Public Hearing on Proposed Ranking Systems for Grant Applications

As presiding officer, Mr. Quandahl opened the public hearing at 1:47 p.m. to accept testimony on the proposed Project Ranking Systems for grant applications under consideration by the Nebraska Environmental Trust Board, pursuant to Neb. Rev. Stat., Sections 81-15,167 through 81-15,176. No written comments or testimony were provided. The public hearing concluded at 1:48 p.m.

#### 6. Consideration of Project Ranking Systems for Grant Applications for Adoption

##### Background on Agenda Item 6

Pursuant to Neb. Rev. Stat. § 81-15, 175 and Title 137, the Executive Director shall prepare the Project Ranking Systems to rank all eligible applications. An affirmative vote of the Board approves the Project Ranking Systems after a public hearing.

Executive Director Elmshaeuser noted that the ranking questions remained the same as the previous grant cycle, except for minor clarifications. The proposed Project Ranking Systems for grant applications uses the 11-question format that follows Title 137 and allows up to 50 total points. If approved, it would become effective as of July 1, 2025.

**Motion by** Menefee, seconded by Quandahl, "I move to approve the scoring questions for the next project cycle."

**Discussion:** The relevance of question 6 was questioned and discussed. It was clarified that Title 137, Chapter 4.005 states that public access is a public benefit. The public benefit must be greater than the private benefit. The scoring question allows two points to encourage public access to property. A clarification regarding public access will be provided to applicants in the future. There was a question about whether section 3.d should be rephrased for improved clarity.

**Voting Aye:** Hansen, McCoy, Menefee, Vinton, Vasko, Quandahl, Christen

**Voting Nay:** Helgoth

**Absent:** Bradley, Hellbusch, Kanger

**7 Voted Aye. 1 Voted Nay. Motion carried.**

## 7. Grant Application Cycle 2025/2026

### a. Point Allocation for Geographic Distribution

Points may be awarded to projects in specific areas if it becomes apparent that the area receives funding for proportionately fewer projects than other areas of the state. The NET 2024 Annual Report provided a map and data on the geographic mix of project funding by county. As a result of this information, no additional points were assigned for specific geographical areas in the upcoming grant cycle.

### b. Annual Priorities within Funding Categories

The Board may establish annual priorities within the five-year categories. The five-year categories currently include habitat, surface and ground water, waste management, air quality, and soil management. No changes were made to the priorities. A review of the five-year categories will take place in 2025, as required in Neb. Rev. Stat. § 81-15,176.

## 8. Grants Portal annual Grants Management System Service Agreement

The Board reviewed the proposed service agreement between the Nebraska Environmental Trust and Gregoire Consulting, Inc. for FY 2025-26 maintenance services for the Grants Management System. Pricing is based on a monthly service fee of \$2,575 for the 12-month duration of the agreement.

**Motion by McCoy**, seconded by Menefee, “I move to approve the Grants Management System service agreement with Gregoire Consulting, Inc. and authorize the Executive Director to sign the contract in the amount of \$30,900.”

**Discussion:** None

**Voting Aye:** Hansen, McCoy, Menefee, Vinton, Vasko, Quandahl, Helgoth, Christen

**Absent:** Bradley, Hellbusch, Kanger

**8 Voted Aye. Motion carried.**

## 9. Legislative updates

Executive Director Elmshaeuser reported that the main bills that would affect the Environmental Trust are LB261 and LB264. The amendment from the Appropriations Committee will be on the floor next week.

Legislative proposals include:

- For the next two fiscal years in the 2025-2027 Biennium, \$25,750,000 in appropriations will be allocated for grant funding in each grant cycle.
- During FY 2025-26, transfers from the Nebraska Environmental Trust Fund would include:
  - \$3,000,000 to the Water Resources Cash Fund
  - \$8,000,000 to the Water Sustainability Fund
  - \$2,000,000 to the Nebraska Soil and Water Conservation Fund.
- During FY 2026-27, a \$2,000,000 transfer from the Environmental Trust Fund to the Nebraska Soil and Water Conservation Fund.
- Revision of Neb. Rev. Stat. § 72-2401 to change the use of the Ferguson House Fund from the Nebraska Environmental Trust Board to the State Building Division of the Department of Administrative Services.

- Removal of language in Neb. Rev. Stat. § 61-218 (8) mandating the monthly transfer of interest earnings from the Water Resources Fund to the Environmental Trust Fund for unspent advanced grant funds for the Department of Natural Resources (DNR). In April, the interest transferred to the Environmental Trust Fund was \$17,629.41. The monthly interest decreased as funding was spent.

In the 2024 Special Session, LB3 mandated that monthly investment earnings from the Environmental Trust Fund be transferred to the state's General Fund beginning October 1, 2024. This amount averaged approximately \$145,000 per month.

Executive Director Elmshaeuser noted that the three funds in the legislative proposals to receive transfers from the Environmental Trust Fund are subaccounts of the Department of Natural Resources (DNR). The Natural Resources Commission, a 16-member group, determines the eligible practices and allocates the Nebraska Soil and Water Conservation Fund among Nebraska's 23 Natural Resource Districts (NRDs) to provide financial assistance for soil and water conservation practices. On July 1, 2025, DNR will be combined with the Nebraska Department of Environment and Energy (NDEE) and named the Department of Water, Energy, and Environment (DWEE).

#### 10. App 22-162-2 – City of Papillion Extension Request – Representative present at Board's Request

##### Background Agenda Item 10

A one-year extension request for grant project 22-162-2, reviewed at the February 6, 2025, Board meeting, was not approved due to insufficient information. Another extension request was received in April. The City of Papillion was asked to provide additional project timeline information, and the Board requested a representative to attend the May meeting for possible questioning.

Alex Evans, City Engineer/Deputy Public Works Director, came before the Board to answer questions concerning the City of Papillion's extension request for the Valley Road Channel Improvements grant project. A printed project report from the stakeholder meeting on January 3, 2024, was made available for Board members.

Grants Administrator Adams noted this extension would be the final one that could be allowed for the project.

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

**Discussion:** None

**Voting Aye:** McCoy, Menefee, Vinton, Vasko, Quandahl, Helgoth, Hansen, Christen

**Absent:** Bradley, Hellbusch, Kanger

**8 Voted Aye. Motion carried.**

#### 11. Grant Modification Requests

##### a. 23-127 – Village of Lindsay – Extension Request

**Motion by** Quandahl, seconded by Vasko, "I move to approve the Village of Lindsay's request to extend project 23-127 for six months."

**Discussion:** None

**Voting Aye:** Menefee, Vinton, Vasko, Quandahl, Helgoth, Hansen, McCoy, Christen  
**Absent:** Bradley, Hellbusch, Kanger  
**8 Voted Aye. Motion carried.**

**b. 24-106 – Grand Island Area Clean Community System – Budget Modification**

**Motion by** Quandahl, seconded by Helgoth, “I move to deny Grand Island Area Clean Community System’s request to move \$15,000 from the contractual category into the personnel category for project 24-106.”

**Discussion:** None.

**Voting Aye:** Vinton, Vasko, Quandahl, Helgoth, Hansen, McCoy, Menefee, Christen  
**Absent:** Bradley, Hellbusch, Kanger  
**8 Voted Aye. Motion carried.**

**c. 25-150 – Edgerton Explorit Center – Budget Modification**

**Motion by** McCoy, seconded by Vasko, I move to approve Edgerton Explorit Center’s request to move \$21,271 into the equipment category for project 25-150.”

**Discussion:** None

**Voting Aye:** Vinton, Vasko, Quandahl, Helgoth, Hansen, McCoy, Menefee, Christen  
**Absent:** Bradley, Hellbusch, Kanger  
**8 Voted Aye. Motion carried.**

**12. Nebraska Environmental Trust Policy Proposals**

**a. Land Acquisition/Easement/Improvement Policy**

Background of Agenda Item 12.a

The public funding of private property easements, purchases, and improvements has been a continuous concern for NET since its inception. On February 1, 2024, the NET Board thoroughly discussed the history and ongoing issues related to real property, personal property, insurance, and taxes in grant projects. On May 2, 2024, the Board approved a policy and procedure for a Land Acquisition/Easement. On February 2, 2025, the NET Board discussed improvements to real property and tasked the Executive Director to prepare policy changes for the Board at a future meeting.

Executive Director Elmshaeuser reported discussing the policy language with the Attorney General's Office and other entities. After consulting with legal counsel, the Board is not responsible for determining what qualifies as a real property improvement, as this is already defined in Neb. Rev. Stat. § 77-1318.01. The decision lies with the County Assessor on whether it is a real property improvement. The proposed policy merely states that improvements are defined in the statute, and if a permit or information statement is required, then the NET policy would need to be followed. The three levels in the proposed policy for real property improvements were reviewed with the Board.

Following extensive discussion, the Board decided to continue developing the proposed policy to gain greater consensus. No action was taken.

**b. Recognition Policies**

Executive Director Elmshaeuser noted that the recognition policies were significantly removed from the proposal document. Most of the NET's recognition policies are no longer applicable or relevant to the tasks and events conducted by the NET. Administrative Specialist Weaver reported that the state's Excellence in Recognition manual does not cover board or commission recognition. After consulting with the DAS Special Programs Manager at State Personnel, the proposed language regarding board member recognition was approved for possible inclusion in the Board policies. The Special Programs Manager specified that when a recognition policy for NET employees is submitted to State Personnel for approval, the Board's policy for board member recognition awards should also be included.

**Motion by** Quandahl, seconded by Menefee, "I move to adopt the new policy changes for Section VIII: Recognition, A. Donor Recognition for Annual Fund Drives of the Endowment, B. Employee Recognition Program, and C. Volunteer Recognition Policy as presented."

**Discussion:** None

**Voting Aye:** Vasko, Quandahl, Helgoth, Hansen, McCoy, Menefee, Vinton, Christen

**Absent:** Bradley, Hellbusch, Kanger

**8 Voted Aye. Motion carried.**

**13. Directors Report**

**a. Demo Public Final Report Web Search**

Grants Administrator Adams demonstrated the progress of the search function that will be featured on NET's website. Final reports for grant projects dating back to 1994 will be available for public access. A user account in the grant portal will not be required to utilize the Final Report Search, which is anticipated to go live on NET's website within the next month. This will be a tangible way for the public to see the type of projects approved for funding.

**b. Director's resignation**

Executive Director Karl Elmshaeuser announced his resignation as the Executive Director for the Nebraska Environmental Trust, effective May 18, 2025. Another position was offered and will formally be announced on a later date. The Board was thanked for outlining a clear strategy and giving their support to achieve the agency's goals.

**14. Authorize the Executive Committee to hire a recruiter not to exceed \$49,999, develop a hiring process and schedule, develop an Executive Director Job Description, interview candidates, and make a hiring recommendation to the NET Board. NET Bylaws, Article IV, Section 1. A**

**Motion by** Quandahl, seconded by McCoy, "I move to authorize the Executive Committee to hire a recruiter not to exceed \$49,999, develop a hiring process and schedule, develop an Executive Director job description, interview candidates, and make a hiring recommendation to the full NET Board pursuant to NET Bylaws, Article IV, Section 1.A."

**Discussion:** Executive Director Elmshaeuser stated that the \$49,999 was merely a limit. The recruiter hired in 2021 for the last executive director search was approximately half of the limit. From an applicant's standpoint, Mr. Elmshaeuser stated the recruiter did a phenomenal job.

**Voting Aye:** Vasko, Quandahl, Helgoth, Hansen, McCoy, Menefee, Vinton, Christen  
**Absent:** Bradley, Hellbusch, Kanger  
**8 Voted Aye. Motion carried**

15. **Authorize Holly Adams to be interim director at the Executive Director’s pay until the position is filled under NET Policy, Section IX: Trust Staff, D. Authorize Tim McCoy or his designee to provide secondary signatures for documents as required as allowed in Neb. Rev. Stat. § 81-15,170 The Game and Parks Commission shall provide administrative support, including, but not limited to, payroll and accounting functions, to the board.**

Executive Director Elmshaeuser reported that Board Policy IX: Trust Staff, D. gives the Executive Committee the authority to name an interim director for up to 30 calendar days. The full Board is required to act on vacancies lasting longer than 30 days. Holly Adams was recommended to serve as Interim Director and receive the Executive Director’s salary until a permanent replacement is found. Additionally, Tim McCoy or his designated representative may be authorized to countersign documents as necessary.

**Motion by** Menefee, seconded by Quandahl, “I move to authorize Holly Adams to be interim executive director at the Executive Director’s pay until the position is filled under NET Policy, Section IX: Trust Staff, D.

**Discussion:** None

**Voting Aye:** Quandahl, Helgoth, Hansen, McCoy, Menefee, Vinton, Vasko, Christen  
**Absent:** Bradley, Hellbusch, Kanger  
**8 Voted Aye. Motion carried**

**Motion by** Vasko, seconded by Helgoth, “I move to authorize Tim McCoy or his designee to provide secondary signatures for documents as required as per Neb. Rev. Stat. §81-15,170, which states the Game and Parks Commission shall provide administrative support, including, but not limited to, payroll and accounting functions, to the board.”

**Discussion:** None

**Voting Aye:** Helgoth, Hansen, McCoy, Menefee, Vinton, Vasko, Quandahl, Christen  
**Absent:** Bradley, Hellbusch, Kanger  
**8 Voted Aye. Motion carried**

16. **Closed Session for investigative proceedings regarding allegations of criminal misconduct**

**Motion by** Vinton, seconded by Quandahl, “I move to go into closed session to discuss investigative proceedings regarding allegations of criminal misconduct by grantees.”

**Voting Aye:** Hansen, McCoy, Menefee, Vinton, Vasko, Quandahl, Helgoth, Christen  
**Absent:** Bradley, Hellbusch, Kanger  
**8 Voted Aye. Motion carried.**

Chair Christen repeated the limitations of the subject matter for the closed session.

Closed session commenced at 3:16 p.m.

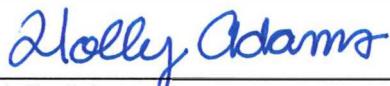
Closed session concluded at 3:55 p.m., and Chair Christen resumed the meeting.

**17. Next Meeting**

Thursday, August 7, 2025, Telegraph Lofts West, 2077 N St, Suite 310, Lincoln, NE 68510, 1:30 p.m.

**18. Adjourn**

Chair Christen adjourned the meeting at 3:56 p.m.



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Holly Adams  
Interim Executive Director