

MINUTES

Nebraska Environmental Trust
3rd Quarter Board Meeting
Wednesday, August 18, 2021
10:00 AM

The Nebraska Environmental Trust Board met at the Ferguson House, 700 South 16th Street, Lincoln, Nebraska, for the transaction of business. Advance public notice was given through release to the news media and official public notice was published in the Lincoln Journal Star on August 7, 2021.

Chairman Kanger called the meeting to order at 10:00 AM. The location of the public meeting statutes was noted and those present were asked to silence their cell phones during the meeting.

Roll call was conducted and a quorum was present.

Members present: Chairman Jeff Kanger, Lincoln; Mr. John Orr, Blair; Mr. Mark Quandahl, Omaha; Mr. Felix Davidson, Valley; Mr. Josh Andersen, Edgar; Mr. Quentin Bowen, Humboldt; Mr. Jim Douglas, Nebraska Game & Parks Commission; Dr. Gary Anthone, Department of Health and Human Services; Mr. Tom Riley, P.E., Nebraska Department of Natural Resources; Mr. Steve Wellman, Nebraska Department of Agriculture; Vice Chairman Jim Macy, Nebraska Department of Environment and Energy.

Members absent: Mr. Jim Hellbusch, Columbus; Mr. Paul Dunn, Omaha; Mr. Rod Christen, Steinauer.

Staff present: Mr. Mark Brohman, Executive Director; Ms. Holly Adams, Grants Administrator; Ms. Pam Deines, Grants Assistant; and Ms. Sandra Weaver, Office Specialist.

Mr. Christen arrived at the meeting at 10:02 AM.

Agenda Item #3: Discussion and Approval of Minutes for the 2nd Quarter April 8, 2021 Meeting and July 22, 2021 Special Meeting

Motion by Mr. Macy, seconded by Mr. Orr to approve the minutes of the 2nd Quarter April 8, 2021 meeting.

Open Discussion:

Abstention votes on a motion to approve the April minutes at the previous meeting were clarified. Mr. Riley noted a member's absence from a meeting does not preclude them from voting to approve the minutes if they have been reviewed. Lori Bucholz, PRP, serving as the Board's parliamentarian, affirmed the statement was correct.

Voting Aye: Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Dr. Anthone, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Kanger.

Abstain: Mr. Douglas.

Absent: Mr. Dunn, Mr. Hellbusch.

11 Voted Aye, 1 Abstained. Motion carried.

Motion by Mr. Macy, seconded by Mr. Wellman to approve the minutes of the July 22, 2021 Special Meeting.

Voting Aye: Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthonie, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Orr, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Agenda Item #4: Trust 22 Update

Public Comment:

Sandy Scofield conceded that being on the Board and administering grants is extremely difficult and complex. She offered to share what she had learned about administering grants during her career and suggested the Board might be too frugal to ensure everything is getting done. The Trust was not intended to be regulatory, an economic developer, or helpful to private businesses. It is important to the public that the Trust stays with its original intent. Ms. Scofield cautioned not to get so busy tending to the weeds that opportunities are missed for what the Trust offers to the future of Nebraska.

Committee Update:

Mr. Riley, Chair of the Trust 22 Committee, reported the ad hoc committee was created to do an in-depth review of the Trust's policies and procedures. Needed modifications will be identified and prioritized. Board Chairman Kanger stated the committee was created to provide an execution arm to leverage foundational components in recent audits and establish a baseline for discussion of process improvements. The first meeting of the Trust 22 Committee is in the planning stage. Committee members include Mr. Quandahl, Mr. Christen, Mr. Dunn, and Mr. Kanger.

Agenda Item #5: Board Approval for Five Funding Categories

Executive Director Brohman reported the Attestation Report from the Nebraska Auditor of Public Accounts, issued on July 21, 2019, noted the Board did not formally establish and approve environmental categories for July 1, 2020, through June 30, 2025. During the three fall 2020 Nebraska Environmental Trust Roundtable Meetings held by Zoom, 134 public members participated in 21 small group discussions. Of the 21 groups, only one group suggested changing the five funding categories. The Board took no formal action on the final report from the University of Nebraska-Lincoln at its 1st Quarter February 2, 2021 Board Meeting. The funding categories remained as follows:

1. Surface and Groundwater
2. Soil Management
3. Air Quality
4. Habitat
5. Waste Management and Recycling

Mr. Macy requested that a standard operating procedure (SOP) be added to the Board Book to ensure formal approval of the five funding categories would not be missed in the future.

Motion by Mr. Macy, seconded by Mr. Wellman: The Board adopts the five environmental categories: Surface and Groundwater, Soil Management, Air Quality, Habitat, Waste Management and Recycling, to be in place until July 2025.

Open Discussion:

Mr. Quandahl suggested modifying the language in the motion to ratify the funding categories since the Board was late in approving them. He suggested replacing “adopt” with “establishes, approves, and ratifies.” Mr. Macy accepted the amendment.

Amended Motion: Mr. Macy, seconded by Mr. Wellman: The Board establishes, approves, and ratifies the five environmental categories: Surface and Groundwater, Soil Management, Air Quality, Habitat, Waste Management and Recycling, to be in place until July 2025.

Voting Aye: Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthon, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Orr, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Agenda Item #6: Transfer of \$700,000 from Environmental Trust Fund to Endowment Fund

Executive Director Brohman reported the Board approved a motion from the Finance Committee at its February 4, 2020 meeting to transfer \$700,000 within six months from the Nebraska Environmental Endowment Fund to the Nebraska Environmental Trust Fund. Staff worked with the State Treasurer's Office to transfer the money at the most optimum time. The transfer occurred in May 2020. The Attestation Report issued July 21, 2021, by the Auditor of Public Accounts, commented dividends and capital gains were not allowable transfers. The transfer of dividends and capital gains was no longer allowed after Attorney General Opinion 07003 (2007) overturned Attorney General Opinion 05001 (2005). Only \$70,000 in interest was an allowable transfer. At the Board's discretion, an amount of \$630,000 to \$700,000 needs to be transferred back into the Endowment Fund.

Mr. Davidson proposed the disposition of the Endowment Fund. He requested staff provide a range of alternatives for the Endowment Fund, but acknowledged the Fund was heavily governed by state statute. Executive Director Brohman reiterated a statutory change would be needed to spend any more than the interest of the Endowment Fund.

Motion by Mr. Wellman, seconded by Dr. Anthon to transfer \$700,000 from the Nebraska Environmental Trust Fund into the Nebraska Environmental Endowment Fund.

Open discussion.

Mr. Quandahl suggested inserting the word “approve” before the word “transfer” so the motion would read, “approve transfer of \$700,000 from the Nebraska Environmental Trust Fund into the Nebraska Environmental Endowment Fund.” Chair Kanger receiving no objection or further discussion called for a vote on the amended motion.

Amended Motion: Mr. Wellman, seconded by Dr. Anthon to approve transfer of \$700,000 from the Nebraska Environmental Trust Fund into the Nebraska Environmental Endowment Fund.

Voting Aye: Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthon, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Orr, Mr. Quandahl, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Mr. Davidson asked whether the Trust was responsible for the Environmental Endowment Fund. Executive Director Brohman stated the Fund was set up by statute and the Trust is responsible for it. The Endowment Fund will contain approximately \$1.8 million after the \$700,000 transfer.

Mr. Andersen volunteered the Finance Committee's assistance to work with staff and report options of what may be done with the Environmental Endowment Fund.

Agenda Item #7 Financial Reports and Finance Committee Report and Recommendations

Public Comments:

Mr. Bob Wickersham expressed concern with the Board's decision to change the grant-funding period in 2022 to a fiscal year beginning July 1 and ending June 30 unless otherwise approved by the Board. He believed a start date of July 1 on grants could result in unfinished projects when more than four months of favorable outdoor weather is needed to complete work during the grant period.

Ms. Sandy Scofield asked the Board to consider whether a member should advocate for a grant project in which they have a personal connection. The policy for conflict of interest should be clear. Ms. Scofield asked the Board to avoid making processes more difficult for applicants than required since many cannot afford a professional grant writer.

Mr. Douglas reported Pat Cole, Administrator of the Budget and Fiscal Division of Game and Parks, attended the April 8, 2021 Board meeting to answer questions concerning ramifications of using a fiscal year grant period. Mr. Cole was not called on but would have confirmed Mr. Wickersham's testimony that a fiscal-year grant period is unnecessary. Multi-year requests can result in budgeting issues. Mr. Douglas agreed processes for applicants should not be bureaucratic. He stated he would have voted against changing the grant period to a fiscal year if he had attended the April 8, 2021 Board meeting.

Finance Committee Update:

Committee Chair Andersen reported the Finance Committee met three times after the 2nd Quarter April 8, 2021 meeting. The Committee Report in the Board book and the handout were summarized for the Board.

The following goals were adopted by the Committee for proposal to the Board.

Eligible timeframe for grant disbursements:

Goals:

1. Standardize and synchronize grant disbursements/funding period to coincide with the State of Nebraska fiscal year of July 1 through June 30.
2. Facilitate best practices for orderly grant closure grant administration and encumbrance procedures.

Eligible timeframe for grant expenses:

Goals:

1. Specify and define grant contract period beginning and ending dates.
2. Require return of unencumbered or unexpended prospective funds to NET

Timing of Disbursements (Advances):

Goals:

1. Eliminate prospective (advanced) payments to grantees.
2. Transition grant payments to "reimbursement only" by 2023.
3. Define grantee responsibilities with prospective (advanced) funds.

Transfer of Funds between Grants Prohibited:

Goal:

1. Prohibit grant modifications resulting in a transfer of fund from one grant to another.

The Finance Committee recommended more enforcement in the language of the Grant Contract. The contract is currently being reviewed by the Attorney General's Office.

Mr. Quandahl reported two motions would be brought to the Board: 1) The use of the Ferguson House and 2) the draft resolution. A motion was previously made to permanently eliminate all tours, open houses, and internal public viewing of the Ferguson House. The motion was referred to the Attorney General's Office to see if the Trust could legally restrict access to the Ferguson House. An opinion was received that there is nothing in state law, nor the fact that the Ferguson House is on the national register of historic places, nor anything in the lease with the Department of Administrative Services that would require the Trust to conduct public tours. Mr. Quandahl stated the draft resolution from the May 19, 2021 Finance Committee meeting was distributed to Board members. The intention is to reconfirm the Board's mission with the Environmental Trust. The resolution was included with the Finance Committee Report as follows for Board action.

WHEREAS, the mission of the Nebraska Environmental Trust (NET) states:

The Nebraska Environmental Trust is established to conserve, enhance and restore the natural environments of Nebraska. A prosperous future requires a sound natural environment. We must act dynamically, progressively and systematically to ensure bountiful and thriving natural resources.

The Trust is to complement existing activities, stimulate private investment and emphasize long term gain. The Trust is to lead in the development of a vision of Nebraska's future environment. The Trust is to collaborate with public and private efforts to achieve that vision, and

WHEREAS, the Board desires to renew and affirm its commitment to the mission of NET, and

WHEREAS, the Nebraska Environmental Trust has dutifully fulfilled its mission, distributed in excess of \$346,000,000 to environmental projects, celebrated numerous successes and endured many challenges, changes and updates since NET was formed in 1992, and

WHEREAS, the Rules and Regulations governing activities of the Nebraska Environment Trust found at Title 137 of the Nebraska Administrative Code, the Bylaws of the Nebraska Environmental Trust, as well as the Adopted Policies of the Nebraska Environmental Trust require frequent and continual review by the Board to ensure alignment with the Constitutional and Statutory mandate of the NET, and

WHEREAS, the impact of recently enacted expanded gambling initiatives in Nebraska on the funding of the NET has yet to be determined and realized, and

WHEREAS, the NET has an affirmative duty to further clear public benefit through selected projects, and

WHEREAS, the NET board is committed to the continual improvement, utilization and review of best practices in performing its constitutional and statutory mandates, and

WHEREAS, in 2021 the Nebraska Environmental Trust has requested a Department of Administrative Services Performance Audit and an Auditor of Public Accounts Audit, and

WHEREAS, in 2021 the NET will participate in a Legislative Interim Study to examine the structure and funding of the trust pursuant to LR 34 of the 107th Nebraska Legislature, and

WHEREAS, the NET Finance Committee, in addition to reviewing the overall finances of the NET is tasked with process improvement and reviewing and clarifying NET policies, with respect to Grant Applications and Grantee conditions, including but not limited to:

1. Grant Modification Requests,
2. Grant Funding Periods
3. Grant funding, including
 - a. Prospective payments to Grantees
 - b. Reimbursed Grantee expenditures, and
 - c. Transfers of grant funding

WHEREAS, on April 8, 2021 the board created an ad hoc Committee known as "Trust 22" to examine recruitment, procedures, policies and efficiencies. The committee consists of five members to meet monthly until January 1, 2023, or until the board dissolves the committee, whichever comes first.

NOW THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF THE NEBRASKA ENVIRONMENTAL TRUST ON THIS _____ DAY OF _____, 2021

Mr. Quandahl read the five tenets of the resolution to the Board and the public attendees:

1. That the NET does hereby proclaim and reaffirm its commitment to the mission of the Nebraska Environmental Trust, and
2. That public awareness of NET projects and grantee diversity increases, and
3. That previously funded projects are reviewed and environmental impacts analyzed, and
4. That the NET board is first and foremost concerned about the NET service to the citizenry rather than special interests, and
5. That changes to NET policies and or Bylaws be effectuated as expeditiously as practicable.

Motion by Quandahl, seconded by Christen to permanently eliminate all tours, open houses, and internal public viewing of the Ferguson House.

Open Discussion:

Mr. Douglas asked if it was a fair assessment of the rationale that the Ferguson House was taking too much staff time, energy, and resources. Mr. Riley questioned what the driving force was for the Finance Committee. Mr. Quandahl responded that any time away from the Trust is too much time. The mission of the Environmental Trust does not mention the Ferguson House. If efforts are focused on the mission of the Environmental Trust, the tours are a distraction.

Mr. Wellman clarified the motion could be changed in the future. He agreed that organizations pulled in other directions often lose their focus, although he was not sure if it was the case in this situation. He stated he supported focusing on the mission. Mr. Davidson asked Executive Director Brohman if eliminating tours would allocate more of his time to the Trust. Mr. Brohman responded

that it had never been an imposition and believed it was a public service to allow the public to see the building. Tours were conducted on his own time and not on the Trust's time. The public is interested in the building, although tours are rare. The background for the Ferguson House and its original owner was conveyed. Mr. Christen commented the decision to eliminate public access was a difficult decision. He received a personal tour when he came on to the Board and found it interesting, although he supported the motion to keep the Trust as a professional office. Mr. Riley stated he would not stand in the way of the motion, but believed the Ferguson House and its owner were an important part of Nebraska history. Mr. Douglas commented an elimination of all tours seemed like an overreaction since there is a big difference between reservations, tours, and rentals versus an occasional tour. He would not vote for the motion, but understood the forward mindset to improve processes. Mr. Macy stated this issue was not new. Mr. Bowen concluded discussion of the Ferguson House and its reports were a distraction at Board meetings and he would vote for the motion. Executive Director Brohman reminded the Board that the Ferguson House Reports were a previous request of the Trust Board.

Voting Aye: Mr. Andersen, Mr. Christen, Mr. Bowen, Dr. Anthonie, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Quandahl, Mr. Davidson, Mr. Kanger.

Voting Nay: Mr. Douglas, Mr. Orr.

Absent: Mr. Dunn, Mr. Hellbusch.

10 Voted Aye. 2 Voted Nay. Motion carried.

Mr. Andersen reported the Finance Committee found consistencies between its findings and the audit findings.

Chairman Kanger asked how the Committee wanted to proceed. Mr. Andersen noted no committee motions were being brought forward and the intent was to bring the goals and the resolution before the Board. Mr. Douglas expressed concern that approving the Committee Report would approve all the recommendations of the report.

Motion by Mr. Bowen, seconded by Mr. Orr to approve the Finance Committee Report.

Motion by Mr. Orr, seconded by Mr. Douglas to split motions C, E, F on the Finance Committee Report handout.

Open Discussion:

Mr. Quandahl restated the Finance Committee was not bringing any motions forward. The intent was to present the goals and the resolution to the Board for approval. Chair Andersen of the Financial Committee commented motions C, E, & F on the hand-out report were addressed at the April 8, 2021 Board meeting for the Finance Committee to investigate.

Mr. Orr withdrew his motion to split motions C, E, & F. There was no objection.

Mr. Orr clarified that moving forward, work can begin on a grant project once a grant contract is signed with the Trust and reimbursement starts at the beginning of the fiscal year. He asked if there was a way to audit grantee matched funds before the project is started with the Trust. Ms. Adams reported looking over the match to see what is reported to make sure it fits within the scope and matches the grant project. The grantee can start the match as soon as the application deadline. Ms. Adams stated a policy would be helpful to clarify when a project and a match could begin.

Chairman Kanger clarified that Mr. Orr's motion was off the table and there was a modification on the motion by Mr. Bowen to include the resolution and goals with the Finance Committee Report.

Modified Motion: Mr. Bowen, seconded by Mr. Orr to approve the Finance Committee Report, including the resolution and goals on pg. 7-65 and 7-66 in the board book.

Open Discussion:

Mr. Quandahl noted motions C, E, and F of the Finance Committee Report handout were not part of the report in the Board Book. Mr. Douglas asked if there would be separate motions on items C, E, and F. Mr. Andersen stated the motions would not be revisited or brought back to the Board. The grant contract will be specific on the motion items. The contract does not allow reimbursement of money spent past the end of the grant period. Submittal of receipts will be allowed after the grant period ends if the money was spent during the grant period. Mr. Riley reported a lag time between contractors and subcontractors and volunteered to capture concepts in the contract to address any issues for the grantees. The 30-day provision in the contract will be reviewed. Board members agreed that a lot of work went into the goals.

Voting Aye: Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthone, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Agenda Item #8: Staff Report

a. Grant Administration Report

Ms. Adams reported receiving a good response after contacting grantees with late reports. A list of approved grant modifications was provided to the Board. At the 2nd Quarter April 8, 2021 meeting, the Board approved a motion to allow staff to approve requests for budget changes within a grant, if less than \$10,000 and received by the Trust before the expiration date of the funding period. The policy will become effective, beginning with the 2022 grant cycle. Ms. Adams reported she had been notifying grantees of the upcoming changes.

Ms. Adams reported implementation of proposed goals as follows:

- Grant payments switched to "reimbursement only"
- No pre-payments to grantees
- Funds no longer transferred between projects
- Holding grantees to contract period of July 1 to June 30.

b. DAS Lease Information

Executive Director Brohman reported the Finance Committee presented a motion at the last Trust Board meeting directing staff to explore a comprehensive list of alternative locations and space for Nebraska Environmental Trust (NET) operations. Mr. Greg Hood was contacted to provide an analysis of the space required. His report estimated 2,705 square feet was needed, which includes a 30-person meeting room. The state currently does not have space in the inventory that would meet the Trust's needs. The state is ending leases in several locations across Lincoln, creating additional shortages of state-owned facilities. Mr. Hood noted rates for RFPs in Lincoln have ranged from \$18-\$22 per square foot. Depending on the location, downtown rates are probably closer to \$20-24 per square foot. The estimated yearly cost for rental would be \$48,690 to \$64,920 annually. The amount depends on the market, bidding, renovation needs, and other criteria. To get a more accurate number, an RFP is needed. The Department of Administrative Services (DAS)

typically plans 6-9 months from RFP to completion. After subtracting rent receipts from the \$7,692.43 rental fee paid to the State Building Division, the Trust pays a monthly rental fee of \$76.75 (\$920.98 annually) in FY 2021-22. Additional costs are paid for cleaning, utilities, and other maintenance fees.

c. Director's Comments

Executive Director Brohman reported the Public Information Officer (PIO) left employment on August 6, 2021. The application period for a replacement ends Friday, August 19, 2021. Fourteen applications have been received. PIO position duties include, but are not limited to, public relations, working with grantees' public information, the Trust's monthly newsletters, brochures, annual report, and advertisements. The position also provides in-house Information Technology (IT) support.

Agenda Item #9: Grant Modifications Requests

Bazile Groundwater Management Area (BGMA) requested a one-year extension for project #19-146-3. Due to the timeframe of the grant application approval and initial awarding of funds in April 2019, BGMA indicated it would not be able to complete the project within the grant period.

Motion by Mr. Orr, seconded by Mr. Andersen, to approve the extension request for project #19-146-3.

No discussion.

Voting Aye: Mr. Bowen, Mr. Douglas, Dr. Anthone, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Middle Niobrara Natural Resources District (MNNRD), project #20-104, requested modification of the Long Pine Creek Watershed (LPCW) Phase 3 Grant by shifting funds to a similar project upstream in the LPCW. Due to the landowner's severe health issues, financial contribution, and/or post construction best management practices, the project will be unable to be completed at the original site during the grant period. Funding from the Nebraska Department of Environment and Energy (NDEE) 319 program has already been approved.

Motion by Mr. Bowen, seconded by Mr. Orr, to reject the modification to project #20-104.

Open Discussion:

Mr. Riley commented project #20-104 was similar to the first project dealing with nitrate issues. He outlined reasons he believed not approving a modification was a mistake and stated he would vote against the motion. Mr. Bowen clarified after reading the request, he believed a final review and approval is needed. Even though the project needs to be done, it looks like a different project. This is a different site and matching funds are pending on the first site.

The Board reviewed financial obligations and funding for the grant project. Ms. Adams reported project #20-104 previously received an extension, which will expire in 2022.

Mr. Macy offered to do more research to give the Board additional information on the scope of the project, so it could consider the request at the November 4, 2021 meeting.

Ms. Adams confirmed the Board would allow the grantee to request a modification again if the request was rejected. Mr. Andersen asked Ms. Adams whether not allowing a second request was policy, practice, or in the contract. Ms. Adams indicated it was past practice.

Mr. Bowen stated if there was no objection, he would postpone his motion until the November meeting. Chairman Kanger stated the motion was removed without objection.

Motion by Mr. Macy, seconded by Mr. Riley to table the motion for the modification to project #20-104's location until the November Board meeting.

Voting Aye: Mr. Douglas, Dr. Anthone, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Agenda Item #10: Discussion of 2022 Grant Funding Level

No discussion or public comment.

Agenda Item #11: 2022 Application Cycle

Public Comment:

Sandy Scofield clarified the lawsuit against the Trust was not brought about by the *Friends of the Nebraska Environmental Trust*. Concerns with the Trust's connection and possible departure from the Ferguson House were outlined. She emphasized the importance of technical reviewers having needed credentials and stated it might be prudent to pay them to avoid playing politics.

a. Authorization for Technical Review

Executive Director Brohman explained the process for technical reviews to the Board. Approximately 180 experts in various fields volunteer to assure design feasibility, cost-effectiveness, and sound environmental principles are in place on grant applications. Most technical reviewers are state and federal employees. Some are retired or consultants in specialty fields. Reviewers submit their applications with their credentials. Staff checks applications to ensure there is no conflict and reviewers are matched to grant types. A Technical Advisory Committee made up of two to four technical reviewers is assigned to each grant application. Reviewers are not compensated. Compensation for a reviewer working for another state agency would cause major complications. Many state employees are authorized to use their expertise as technical reviewers by their director.

Mr. Riley offered to provide a list of technical reviewers accessed from the Department of Natural Resources (DNR) during the past year.

Motion by Mr. Bowen, seconded by Mr. Wellman to authorize staff to seek technical reviews as appropriate for 2022 grant applications.

Open Discussion:

Mr. Macy requested the list of technical reviewers from the staff. He stated he objected to paying consultants and believed the Board should review how the system is set up and make sure it is not ripe for conflict. It was noted there appears to be a vast difference in the quality of technical reviews and it would be prudent to refine the process.

Mr. Riley commented that there is not a need to reflect on the intention of the technical review support. It is not a substitute to avoid further review. A review of the expectations of the background of the technical reviewers is a good idea. Mr. Douglas agreed instructions should be given to reviewers, although he believed there was no negative indication when technical reviewers disagree. There are different levels of vetting on a project. Mr. Orr agreed and thought Board direction and written instruction concerning conflict of interest should be standardized.

Ms. Adams commented that technical reviews are helpful to grantees. A review is often requested when a project is not funded. The names of the technical reviewers are confidential. The review helps grantees understand why funding was not approved.

Mr. Wellman stepped out of the meeting from 12:05 to 12:08 PM.

Voting Aye: Dr. Anthonie, Mr. Riley, Mr. Macy, Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch, Mr. Wellman.

11 Voted Aye. Motion carried.

b. Point Allocation for Geographic Distribution

Mr. Andersen reported the Finance Committee and staff discovered certain grantees appear to overload funding in a geographic region. He recommended starting with a clean slate. If geo-points are used in the future, decisions should be based on good data.

Mr. Orr stated he served on grant committees three years in a row. During the last year, good projects were pushed down and poorer projects pushed up because of geo-points.

Motion by Mr. Christen, seconded by Mr. Orr to award no geo-points and to re-set the geo-point map for the 2022 grant cycle.

Open Discussion:

Mr. Davidson stated good data can inform better decisions and expressed concern about losing historical data. It could be maintained to use in the future, although geo-points would not be used in 2022.

The Board reviewed the statutes and rules and regulations governing project-ranking systems. Title 137, Rules and Regulations, Chapter 7 indicates the ranking system scores are assigned to each project to the extent that the project will help the Trust Board attain a geographic mix of projects over time. It does not call for an "equal" or "rated" mix.

Mr. Riley suggested modifying the motion to remove geo-points for the upcoming grant cycle. The issue could be taken up in another year. Mr. Christen agreed to amend the motion to award no geo-points for the 2022 grant cycle. There were no objections to the modification of the motion.

Mr. Douglas stated if the Board looks at redoing districts moving forward, the question about districts as they apply to the Game and Parks Commissioners has been reviewed by the legislature many times. It is the same old quandary as "land mass versus population." Small districts in the east came about because of the population. The Board needs to start with a clear understanding of what they are trying to represent.

Amended Motion: Mr. Christen, seconded by Mr. Orr to award no geo-points for the 2022 grant cycle.

Voting Aye: Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthone, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Agenda Item #12: Report and Recommendations of the Executive Committee with Recommendations for the Executive Director

Motion by Mr. Orr, seconded by Mr. Davidson to go into closed session to discuss the performance evaluation of the Executive Director and report of the Executive Committee not a matter of public information.

Chairman Kanger restated the limitation of the subject matter in closed session.

Voting Aye: Mr. Wellman, Mr. Macy, Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthone, Mr. Riley, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Closed session began at 12:18 PM.

Motion by Mr. Christen, seconded by Mr. Orr to return to open session after discussion of the performance evaluation of the Executive Director and report of the Executive Committee not a matter of public information.

Voting Aye: Mr. Macy, Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthone, Mr. Riley, Mr. Wellman, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Closed session ended at 12:53 PM.

Motion by the Executive Committee to accept the letter of resignation from Executive Director Brohman and the statement from the Trust.

Voting Aye: Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthone, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Kanger.

Absent: Mr. Dunn, Mr. Hellbusch.

12 Voted Aye. Motion carried.

Agenda Item #13: Election of Officers

Chairman Kanger read Article II, Sections 1-3, of the Bylaws of the Nebraska Environmental Trust Board pertaining to the election of officers. He stated the Board chairperson would be elected from Congressional District III and opened the floor for nominations.

Motion by Mr. Bowen, seconded by Mr. Orr to nominate Mr. Andersen as Chairman of the Board.

Voting Aye: Mr. Orr, Mr. Quandahl, Mr. Davidson, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthone, Mr. Riley, Mr. Wellman, Mr. Macy, Mr. Kanger.

Abstain: Mr. Andersen.

Absent: Mr. Dunn, Mr. Hellbusch.

11 Voted Aye. 1 Abstain. Motion carried.

Chairman Kanger noted the Vice-Chairman would be elected from the agency directors.

Motion by Mr. Christen, seconded by Mr. Wellman to nominate Mr. Macy as Vice-Chairman of the Board.

Voting Aye: Mr. Quandahl, Mr. Davidson, Mr. Andersen, Mr. Christen, Mr. Bowen, Mr. Douglas, Dr. Anthone, Mr. Riley, Mr. Wellman, Mr. Orr, Mr. Kanger.

Abstain: Mr. Macy.

Absent: Mr. Dunn, Mr. Hellbusch.

11 Voted Aye. 1 Abstain. Motion carried.

Executive Director Brohman presented Chairman Kanger with a plaque on behalf of the Board and staff to honor him for his role as Chairman of the Board during 2020-2021. Mr. Kanger thanked the Board and staff for the plaque and stated he sincerely appreciated everyone's concern for public welfare.

Mr. Macy announced that this meeting might be the last one Mr. Douglas would attend and thought the Board should acknowledge him for his service during the last nine years. Mr. Douglas stated it had been a pleasure to be a part of the Board and a cause as noble as the Environmental Trust. He expressed confidence that the Board and staff would be diligent in matters that need to be addressed. He advised the Board not to leave the public out of the equation as process improvements are addressed.

Mr. Orr thanked Mr. Douglas for his down-to-earth common sense and stated he enjoyed working with him on the Grants Committee. He thanked Chairman Kanger for his service and noted he had been thrown into the fire as a new member, but had guided the Board well through some tough meetings during the last year.

Agenda Item #14: Public Comment and Good of the Order

Ms. Sandy Scofield addressed the Board with the following concerns:

- Need for clarification of the role between the Board and Executive Director.
- Discomfort with assistance to grantees. A program officer to coach grant applicants through the application process was suggested.
- A new director might not put the mission of the Trust first and might be beholden to a special interest group.
- Does not understand opposition to conservation easements.

Mr. Bob Wickersham addressed the Board and questioned three goals of the Finance Committee related to disbursements, wondering if actions might have detrimental effects. In closing, he stated the Board's actions to date did not instill confidence in its ability to direct the Trust.

Tim Knott stated Nebraskans come in all sizes, shapes, occupations, and walks of life. The Trust has strived to meet the needs of people for many years, and he hoped the Board would continue the tradition.

John Denton, representative of Ducks Unlimited, testified that as a new grantee, Executive Director Mark Brohman was crucial in helping him navigate the grant application process and making the project successful. He stated Director Brohman knows the balance between the partnership of the granting source and the grantee.

Chairman Kanger expressed appreciation to Executive Director Brohman for his passion and many years of service to the Board.

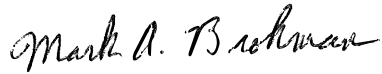
Agenda Item #15: Date and Location of Next Meeting:

November 4, 2021, 1:30 PM, location TBD.

Agenda Item #16: Adjourn

Chairman Kanger adjourned the meeting at 1:15 PM.

Respectfully submitted,



Mark A. Brohman
Executive Director