

# MINUTES

Nebraska Environmental Trust Board  
Second Quarter Meeting  
Thursday, May 2, 2024  
1:30 p.m.

## 1. Call to Order

Chair Hellbusch called the meeting of the Nebraska Environmental Trust Board (NET) to order at 1:30 p.m. in Suite 310 at 2077 N St, Lincoln, Nebraska.

Advanced notice of the meeting and public hearing was published in the Lincoln Journal Star on April 24, 2024. 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 (12):**

**District I:** Mr. Jeff Kanger, Lincoln; Chair James Hellbusch, Columbus; Mr. Ted Vasko, Papillion.

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

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

**State Agency Representatives:** Mr. Thad Fineran, Director, Nebraska Department of Environment and Energy; Mr. Tim McCoy, Director, Nebraska Game & Parks Commission; Vice-Chair Sherry Vinton, Director, Nebraska Department of Agriculture.

### **Members Absent (2):**

**State Agency Representatives:** Ms. Charity Menefee, Director, Nebraska Department of Health and Human Services; Mr. Tom Riley, P.E., Director, Nebraska Department of Natural Resources.

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

## 2. Consent Agenda

### Background on Consent Agenda Items

The consent agenda included the February 1, 2024, Board Meeting Minutes, financial reports, approval to set financials aside for audit, the Grant Disbursement Report, Nebraska Lottery Proceeds Allocation Report, and the Grant Administration Report.

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

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

## 3. Public Comment

Mr. Rob Schultz, Platte Valley Weed Management Area, commented on the organization's structure, tax status, and purpose, and requested that Grant 24-123 retain its award status based on the information provided.

Mr. Jeff Selden, Loup Central Landfill, commented on the benefits of Grant 24-153 and outlined reasons for requesting a one-year extension.

Ms. Chris Vail, Keep Keith County Beautiful, commented on the benefits of the organization and the steps taken to address its tax status. Funding for Grant 24-143 was requested to be reinstated.

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

##### **a. U.S. Attorney Press Release**

United States Attorney Susan T. Lehr announced Brenda K. Banks, 61 of Omaha, Nebraska was sentenced to four months' imprisonment for wire fraud on April 2, 2014, in federal court in Omaha. In 2018 and 2019, Banks, then-Executive Director of Angels on Wheels (AOW), submitted fraudulently altered documents to the Nebraska Environmental Trust (NET) and the Nebraska Department of Environment and Energy (NDEE) to receive grant disbursements. As a result of the judgment, Banks was ordered to pay \$83,087.01 in restitution to NET.

##### **b. Legislative Informational Review**

Executive Director Elmshaeuser reported that LB637, which proposed a change to the Open Meetings Act, was amended into LB43. The language states, "Except for closed sessions called pursuant to section 84-1410, a public body shall allow members of the public an opportunity to speak at each meeting." The revised language will go into effect on July 19, 2024.

#### **5. Ranking and Scoring Committee Report**

Mr. Andersen reported the NET Board passed a motion at its January 4, 2024, meeting, to establish an ad hoc committee to consider minor adjustments to the ranking and scoring process. Members of the Ad Hoc Ranking and Scoring Committee included Jeff Kanger, District 1; Mark Quandahl, District 2; and Josh Andersen, District 3. Meetings were held to evaluate potential improvements to the ranking and scoring process to achieve the desired outcomes. Concerns from the Board and Grants Committee were taken into consideration.

Mr. Quandahl added that the improvement process adhered to the Nebraska Constitution, statutes, and the rules and regulations in Title 137. The NET's 2021 audit recommendations were the catalyst for improving the grant guidelines. Last year's grant cycle was the first under the newly revised Title 137.

Executive Director Elmshaeuser stated Title 137 requires the grant application methods to be approved by the Board no later than three months before the submission deadline. It allows grant applicants to know what is expected from them and how they will be scored in advance.

The proposed ranking and scoring questions were reviewed and discussed by the Board. The Ranking and Scoring Committee noted its struggle to ensure the questions addressed the statutory requirements and were weighted fairly.

#### **6. Public Hearing on Proposed Ranking Systems for Grant Applications**

As presiding officer, Chairman Quandahl opened the public hearing at 2:02 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.

##### **Hearing Testimony**

Ms. Shelly Kelly, Sandhills Task Force, testified in support of the clear and concise proposed ranking system but outlined concerns with the short period before the hearing to prepare comments, the points given for public access in question six, and the difficulty for small organizations to provide measurable benefits in the grant application.

Mr. Alex McKiernan, Nebraska Grazing Lands Coalition, echoed the testimony of Shelly Kelly and noted there are many benefits from conservation work projects that do not provide public access.

The hearing concluded at 2:09 p.m.

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

### Background on Agenda Item 7

Pursuant to Neb. Rev. Stat. § 81-15,175 and Title 137, the Executive Director shall prepare Project Ranking Systems to rank all eligible applications. An affirmative vote of the Board approves the Project Ranking Systems after a public hearing. The Ad Hoc Scoring and Ranking Committee provided input for the proposed scoring system for the 2024/2025 grant cycle.

**Motion by** Mr. Quandahl, seconded by Mr. Kanger, “I move to approve the new Project Ranking Systems for Grant Applications using the 11-question format that follows Title 137 and allows up to 50 total points as presented. This is to be effective as of July 1, 2024.”

**Discussion:** The meaning of public access and measurable criteria in applications were clarified. Title 137 states public access is a public benefit, but there is no requirement to provide public access. It was noted that the process of considering proposed ranking systems is yearly and refinements will continue to be made. Mr. McCoy clarified that the Recreational Liability Act does afford some protection to landowners making their land and water areas available for recreational purposes. The Open Fields and Waters program initiated by the Nebraska Game and Parks Commission, offers financial incentives to landowners willing to allow public walk-in access for hunting, trapping, and/or fishing.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

## 8. Grant Application Cycle 2024/2025

### 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 2023 Annual Report provided a map and data of the geographic mix of project funding by county. Based on this information, additional points for specific geographical areas were not recommended for the upcoming grant cycle.

**Motion by** Mr. Andersen, seconded by Mr. Davidson, “I move that the Board does not use additional points for specific geographical areas for the 2024/2025 grant cycle.”

**Discussion:** Mr. Davidson clarified for the new Board members that the reason for not using additional geographical points in the grant process was based on historical data that appeared to reflect an even distribution across the state.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

### b. Annual Priorities within Funding Categories

Pursuant to Neb. Rev. Stat. § 81-15,176, the Board may establish annual priorities within the five-year categories. The current five-year categories are Habitat, Surface and Ground Water, Waste Management, Air Quality, and Soil Management. Neb. Rev. Stat. § 81-15,168 states, “The trust

shall develop a long-range environmental focus which encompasses the vision of all Nebraskans regarding the future of the environment and shall join public and private efforts in achieving the collective environmental goals of Nebraska's citizens."

Executive Director Elmshaeuser noted a current statewide effort to address groundwater issues. Groundwater quality is an ongoing concern in Nebraska. If the Board believes groundwater quality is a priority, five points could be given to applicants focusing on this effort.

**Motion by** Mr. Christen, seconded by Mr. Andersen, "I move to provide 5 bonus points for a qualifying grant application that applies for funding for groundwater quality projects for the 2025 Grant cycle."

**Discussion:** Groups coordinating water quality projects, what project types would qualify for the five bonus points, and past practices were discussed. Mr. Kanger stated although he supported groundwater quality, he would not support the motion because of qualitative concerns and what this might do to a scoring process still in formation. Priority points could adversely affect high-quality applications in other categories. The Board discussed the impact and possible alternatives.

**Voting Aye:** Helgoth, Christen, McCoy, Fineran

**Voting Nay:** Andersen, Hansen, Vinton, Kanger, Vasko, Davidson, Quandahl, Hellbusch

**Absent:** Menefee, Riley

**4 Voted Aye. 8 Voted Nay. Motion Failed.**

Mr. McCoy, a member of the Water Resources Advisory Panel (WRAP), expressed interest in working with the panel to get them engaged to help provide information without the added points. He offered to see if Executive Director Elmshaeuser could be invited to the discussions.

## 9. 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 2024-25 maintenance services for the Grants Management System. Pricing is based on a monthly service fee of \$2,475 for the 12-month duration of the agreement.

**Motion by** Mr. Quandahl, seconded by Mr. Vasko, "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 \$29,700."

**Discussion:** None.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

## 10. Finance Committee Report and Recommendations for Biennial Budget Request

Mr. Davidson reported the Finance Committee met on April 12, 2024, to review the 2025-2027 biennial budget request. The NET is required to provide a biennial budget request to the NE Game and Parks Commission (NGPC) for submission in the Nebraska Budget Request and Reporting System (NBRRS). After the Finance Committee meeting date, Governor Pillen issued an executive order to eliminate positions that have been vacant for ninety days or more. This will reduce the NET's five FTE positions to four in the budget request.

Executive Director Elmshaeuser explained the NET’s funding and the proposed budget request to the Board. During the next biennium, the NET will hit the five-year requirement in Neb. Rev. Stat. § 81-15,176 to conduct public involvement meetings in each Congressional district to review and establish the environmental grant funding categories. In the past, the Board discussed having an offsite meeting. Because of considerable expense, consideration is being given to tie one of the events into a Board meeting to allow grantees to give presentations about their funded grant projects.

**Motion by** Mr. Davidson, seconded by Mr. Vasko, “I move to approve the NET Budget Request for the Biennial Budget within the following limitations and amounts; Personal Service Limitation (PSL) not to exceed four (4) FTE positions, Operational funding to include contracted increases from previous base, State Aid amount is recommended to be \$25,000,000 in FY 2025-26 and \$26,250,000 in FY 2026-27.”

**Discussion:** A question was asked whether the loss of the fifth FTE position would critically impact the NET. Executive Director Elmshaeuser reported the position was for a Public Information Officer and from a management position, contracting for services when needed would be more cost-effective. Offsetting these contractual expenditures from the appropriated wages could be beneficial if allowed.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

## 11. Legislative Committee Report and Recommendation for next session

### Background of Agenda Item 11.

The NET moved out of the Ferguson House and is no longer responsible for expenditures incurred at the location. As a temporary solution, the NET Board approved a MOU with the Department of Administrative Services Building Division (DAS) to use the Ferguson House Fund as a source of reimbursement for expenditures associated with maintenance and administration. As per Neb. Rev. Stat. § 72-2401, the fund is to be used by the NET only for the operation, administration, maintenance, restoration, and renovation of the Ferguson House and grounds.

Committee Chair Kanger reported that the Legislative Committee met on April 16, 2024. The Committee is recommending removing the Nebraska Environmental Trust from the statute as the user of the Ferguson House Fund. Executive Director Elmshaeuser added it was in everyone’s best interest to assign the fund to the entity responsible for maintaining the property.

**Motion by** Mr. Andersen, seconded by Mr. Davidson, “I move to direct the Executive Director to seek a change to Neb. Rev. Stat. 72-2401 to eliminate the name of the Nebraska Environmental Trust Board from the statute.”

**Discussion:** None.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

## 12. Adjustments to 2024 Awarded Grants

### Background on Agenda Item 12.

The NET Board awarded the 2024 Grant Awards on January 4, 2024. The function of the Executive Director is to manage the grants within the statutes, rules and regulations, and policies set for the

NET Board. Failure by the grantee to comply with the regulations or grant contract may result in a revocation of the grant, withholding of grant disbursements, or a requirement to reimburse the fund for money already disbursed under the contract. Before any action by the Executive Director, there shall be a written notice to the grantee explaining the intended action and the reason it may be taken. The burden of proof to support claims by the applicant or grantee is the sole responsibility of the entity.

**a. UNL Grant # 24-129**

As a result of UNL's concerns with the language in the grant contract for Grant # 24-129, the grant contract was not signed by UNL.

**Motion by** Mr. McCoy, seconded by Mr. Davidson, "I move to deobligate grant funds in the amount of \$88,541 for grant # 24-129."

**Discussion:** The Board reviewed the list of reasons why UNL opted to not sign the contract.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

**b. Keep Keith County Beautiful Grant # 24-143**

Due to an inquiry to NET regarding the organization and financial standing of the entity, a desk audit was undertaken before the 2024 grant contract was signed. A 15-day notice was sent to the grantee requesting corrective action for the issues found.

Ms. Chris Vail was called before the Board to address technical questions from members concerning the issues that need to be resolved with grant 24-143.

Executive Director Elmshaeuser reviewed the timeline and issues leading up to the 15-day notice with the Board. Keep Keith County Beautiful's efforts to resolve the issues listed in the notice were also reviewed.

**Motion by** Mr. Quandahl, seconded by Mr. Andersen, "I move to deobligate all funds for Grant # 24-143."

**Discussion:** It was commented that although the 501(c) was reinstated, there seemed to be other financial discrepancies with the application that were difficult to work through. The application had been submitted with a false attestation that the organization's tax status was in good standing. The grantee received a notice dated August 15, 2023, that its nonprofit status was revoked by the IRS. Once the application period closes, the standard procedure is to not allow grantees to change the information on their application. Allowing more time to resolve issues and/or reducing the awarded amount was discussed. It was clarified that if staff had discovered the issues before the Grants Committee review, the application would not have made it to scoring.

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

**Voting Nay:** Vasko, Helgoth

**Abstaining:** Fineran, Vinton

**Absent:** Menefee, Riley

**8 Voted Aye. 2 Voted Nay. 2 Abstained. Motion carried.**

**c. Platte Valley Weed Management Area Grant # 24-123**

A 15-day notice was sent after a desk monitoring audit conducted on February 21, 2024, revealed that provided materials concerning legal and financial status were inconsistent in the grant application.

Executive Director Elmshaeuser gave the Board a synopsis of the tax status issues with grant 24-123. It is crucial to identify the tax status of the entity before granting funds since Title 137 requires the applicant to assure the Executive Director that all legal requirements have or can be met, and that the entity is eligible for funding.

The Board did not request that technical questions be answered by representatives from the Plate Valley Weed Management Area.

**Motion by** Mr. Andersen, seconded by Mr. Kanger, “I move to fund Grant # 24-123, provided issues of eligibility and status are resolved before any grant funds are expended.”

**Discussion:** The Board discussed how the identity of the entity could impact funding and whether the entity could be considered regulatory.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

The Board took a break from 4:30 p.m. to 4:40 p.m.

**d. Award available funds based on prior approved scoring and ranking**

Background of Agenda Item 12d

Funds from grants 24-129 and 24-143 have been deobligated, making those funds available for other entities that meet grant scoring criteria and eligibility, but previously lacked funding.

**Motion by** Mr. Quandahl, seconded by Mr. McCoy, “I move to fund grant applications 24-118, 24-161, and 24-150, pending their ability and acceptance to move forward with their project.”

**Discussion:** None.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

**13. Grant Modification Requests**

**a. 20-183-3 BOR-UNL – Extension Request**

**Motion by** Mr. Quandahl, seconded by Mr. Davidson, “I move to deny UNL’s request to extend project 20-183-3 for six months.”

**Discussion:** A previous extension was granted for one year.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

**b. 21-148-2 Northern Prairies Land Trust – Extension Request**

**Motion by** Mr. Davidson, seconded by Mr. Christen, “I move to approve Northern Prairies Land Trust’s request to extend project 21-148-2 for one year.”

**Discussion:** It was noted that the terrain was steep and not many days were available for safe prescribed fire projects because of drought conditions.

**Voting Aye:** Kanger, Vasko, Davidson, Quandahl, Helgoth, Andersen, Christen, Hansen, Vinton, Fineran, Hellbusch

**Abstaining:** McCoy

**Absent:** Menefee, Riley

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

**c. 21-218-2 The Nature Conservancy – Budget Modification Request**

**Motion by** Mr. Davidson, seconded by Mr. Quandahl, “I move to approve the Nature Conservancy’s request to move the remaining funds from the salary and supplies categories into the Contractual category for project 21-218-2.”

**Discussion:** None.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

**d. 22-144-2 BOR-UNL – Budget Modification and Extension Request**

**Motion by** Mr. Quandahl, seconded by Mr. Davidson, “I move to deny UNL’s request to extend project 22-144-2 for six months and deny moving funds from the benefits and equipment categories into the salary and travel categories.”

**Discussion:** It was noted that no reimbursement requests had been made since October 20, 2023. The project has been chronically behind and delinquent in reporting requirements, although Grants Administrator Adams noted that all the issues had been resolved with the required documents. The remaining funds are available in the benefits category because the new Grant contract no longer allows reimbursement of tuition, retirement, and life insurance and caps health, vision, and dental insurance.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

**e. 22-161 Ducks Unlimited – Extension Request**

**Motion by** Mr. Quandahl, seconded by Mr. Davidson, “I move to approve Ducks Unlimited’s request to extend project 22-161-2 for six months.”

**Discussion:** None.

**Voting Aye:** Quandahl, Helgoth, Andersen, Christen, Hansen, Fineran, Kanger, Vasko, Davidson, Hellbusch

**Voting Nay:** Vinton

**Abstaining:** McCoy

**Absent:** Menefee, Riley



**10 Voted Aye. 1 Voted Nay. 1 Abstained. Motion carried.**

**f. 24-121 Nebraska Game and Parks – Extension Request**

**Motion by** Mr. Andersen, seconded by Mr. Davidson, "I move to approve the Nebraska Game and Park's request to extend project 24-121 for two years."

**Discussion:** A two-year extension was requested since a legislative bill to change language on the usage of funds to decommission the Carter P. Johnson dam was not accomplished this year. Previously, the plan was to restore/update the dam. However, after the Department of Natural Resources (DNR) classified the dam as a high hazard, it was decided to decommission the dam and do restoration work on Soldier Creek. The project will be on hold until language can be changed in the next legislative session.

**Voting Aye:** Helgoth, Andersen, Christen, Hansen, Vinton, Fineran, Kanger, Vasko, Davidson, Quandahl, Hellbusch

**Abstaining:** McCoy

**Absent:** Menefee, Riley

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

**g. 24-153 Loup Central Landfill Association – Extension Request**

**Motion by** Mr. Davidson, seconded by Mr. Kanger, "I move to approve Loup Central Landfill Association's request to extend project 24-153 for one year."

**Discussion:** None.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

**14. Closeout Report of Grants**

Background on Agenda Item 14

When a project contract reaches its end date, the grantee must submit a final report. NET staff reviews reports, disbursement requests, and balances of projects when the contract date ends. If a grant project is in breach of the contract, the executive director sends a written 15-day notice. Failure by the grantee to comply may result in a revocation of the grant. The staff creates a summary report for the Board to review the final status of each grant project before closing them in the Grants Portal.

**Motion by** Mr. Kanger, seconded by Mr. Andersen, "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:** None.

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

**Absent:** Menefee, Riley

**12 Voted Aye. Motion carried.**

Mr. Helgoth left the meeting at 5:16 p.m.

## 15. Nebraska Environmental Trust Policy Amendment Proposals

### Background for Agenda Item 15

At its meeting on February 1, 2024, the NET Board discussed at length the history and ongoing issues of real property, personal property, insurance, and taxes concerning grants. The Board directed the Executive Director to prepare policy changes for the NET Board to consider at their next meeting based on the history and discussion.

An overview of the proposed policy changes and the rationale were presented to the Board by Executive Director Elmshaeuser. While reviewing the policies, questions were fielded from the Board.

Proposed changes for sections B, C, E, F, and H and the addition of section K in *Board Policy VI: Grantee Conditions* are as follows:

#### B. Equipment Insurance

A grantee is required to purchase and maintain property insurance at its own expense to insure all equipment valued at \$5,000 or more, which is purchased in whole or in part with funds received from the Trust. This insurance shall include “all risk” insurance for physical damage loss or damage including theft, vandalism, and malicious mischief. Such insurance shall be maintained on all such equipment in an amount equal to the replacement value of the equipment for the useful life of the equipment (defined in equipment policy). The grantee shall name the Trust as beneficiary of the policy and shall assure that proof of coverage shall be kept current. The Trust will require proof of current insurance coverage each year on or about the renewal date of such policy during the grant contract.

#### C. Equipment Policy

1. Funds may be expended for equipment purchases only as specified in the grant contract. Modifications must be approved in advance in writing.
2. A grantee must report to the Trust all equipment purchased in full or in part with grant funds on the Equipment Inventory Form. The grantee is responsible for maintaining the equipment in good repair. The grantee must be able to identify and locate such equipment for a representative of the Trust at any time during normal business hours. A sticker identifying the Trust as a funder of the project, should be placed on all equipment purchased with Trust funds, and will be provided by the Trust.
3. A grantee may not sell, trade, or encumber any piece of equipment purchased in full or in part with grant funds during the ~~useful life of the equipment~~ grant contract without the expressed approval of the Trust.
4. Useful life may be defined according to the U.S. Internal Revenue Service tables of depreciation, or by another method mutually agreed upon.
5. A grantee must notify the Trust within 30 days when any equipment purchased in full or in part with grant funds is no longer serviceable during the useful life of the equipment.
6. The Trust will file a UCC Financing Statement with the Secretary of State on grants that include equipment purchases totaling \$25,000 or more. This statement will be filed when the grantee is a non-government entity. Government entities (including state, county, city, Natural Resource Districts) will be exempt from this provision. The filing will be effective until the useful life of the equipment (as defined by the Nebraska Dept. of Revenue Table of Depreciation) has expired. The Trust will then remove the filing with the Secretary of State's office.

7. ~~Equipment in which the Trust contributed more than \$25,000: If the piece of equipment has reached the end of its useful life, according to State depreciation tables, the Trust will require 75% of any sales proceeds. The remaining 25% will be retained by the grantee as an incentive to obtain the best sales prices possible. Equipment in which the Trust contributed less than \$25,000: If the piece of equipment has reached the end of its useful life, according to State depreciation tables, the Trust will not require any reimbursement of investment if the item is sold or transferred.~~

If the equipment has not yet reached the end of the useful life, according to State depreciation tables, the Trust will require a refund of our investment equal to the pro-rated portion of useful life left divided into the amount contributed by the Trust for each item.

The Trust maintains the right to allow trade-ins for similar equipment or the transfer of the equipment to an approved entity at its discretion.

E. Proceeds From Sale or Transfer of Real Estate

1. ~~When Trust funds are used to purchase real estate and that real estate is sub~~  
~~sequentially subsequently~~ sold, unless provisions are in the original grant application,  
contract, proceeds from such sale will be immediately returned to the Trust by the same percentage as the Trust provided in the original grant.
2. If the real estate appreciates in value, the Trust will share by the same percentage as it put into the real estate purchase.
3. If improvements are made to the real estate from other sources than the Trust, the Trust will not be eligible for appreciation from those improvements. If Trust funds were used for such improvements, the Trust will recover by the same percentage as put into the real estate.
4. ~~If real estate is gifted to an entity approved by the Trust, repayment will not be required. unless the new entity subsequently sells the property and then the provisions above govern.~~
5. Closing costs, appraisals and other approved costs can be deducted from the sale proceeds before the Trust's proportion is calculated.
6. If values from separation of the bundle of rights occur as a property is sold, those rights retained shall retain the proportional shares of the original grant application. For example if a water right is retained by the grant applicant and the remaining real estate is marketed with a conservation easement in favor of the grant applicant in place then both the value of the water retained and the conservation easement shall be allocated proportionally in the same percentage as the Trust provided in the original grant and then the proceeds from the sale of the land shall be returned to the Trust by the same percentage as it put into the real estate purchase. Following the first sale if a second sale of all or a portion of the remaining rights occur the sale will again follow the first process in any return of funds to the Trust as a result of the sale.

F. Payment of Tax on Real Property

The Nebraska Environmental Trust recognizes the importance of maintaining the property tax base to local communities. All government grantees are required to pay taxes or payments in-lieu of taxes in accordance with applicable state or federal laws on real property acquired with Trust funding. All private grantees, for-profit or non-profit, are required to pay property taxes on real property acquired with Trust funding in full in

perpetuity during the grant contract.

H. Release of Easements

The Trust will allow the release of easements acquired in whole or in part with Trust funds in cases where the land will be enrolled in another conservation program/practice that provides similar or more protection. The Trust Fund will require receipt of a pro-rated refund of the amount originally paid for the easement. The refund will be determined by dividing the amount the Trust contributed by the term of the easement to calculate an annual amount and then multiplying the annual amount by the number of years remaining on the easement.

Transfer of an easement from one property to another will not be allowed.

K. Land Acquisition/Easement Policy

The Nebraska Environmental Trust Act allows for land acquisitions and easements. The following procedures and checklist shall be followed. Grant awards that have land acquisitions or easement elements must include the required Reservation of Deed language in the Grant Contract.

*(The procedures and checklist will be included in the Board Policy Manual.)*

**Motion by Mr. Davidson**, seconded by Mr. Andersen, "I move to adopt the new policy changes for Section VI: Grantee Conditions, B. Equipment Insurance, C. Equipment Policy, E. Proceeds From Sale of Transfer of Real Estate, F. Payment of Tax on Real Property, H. Release of Easements, and adding K. Land Acquisitions/Easement Policy as presented."

**Discussion:** None.

**Voting Aye:** Hansen, McCoy, Vinton, Fineran, Kanger, Vasko, Davidson, Quandahl, Andersen, Christen, Hellbusch

**Absent:** Helgoth, Menefee, Riley

**11 Voted Aye. Motion carried.**

## 16. Director's Report

Executive Director Elmshaeuser reported that more effort is being put into finding issues at the front end of grant projects to avoid more serious issues such as clawbacks or federal court cases. Attempts are being made to identify the true grant project costs when an application is received to reduce inflated requests.

The NET office is in the process of retrieving and reviewing past grant project documents in storage at the Secretary of State Records Division. After all the boxes are reviewed and the documents are scanned, the Records Center will manage the secure shredding of the documents. Moving to electronic files will save NET monthly storage costs. When all the grant records are scanned, staff will be able to begin work on Mr. Kanger's request to determine how many of the total acres purchased with NET funds are currently accessible to the public.

News articles about grant projects funded by the NET and letters of thanks from grantees were shared with the Board.

Chair Hellbusch read a note from the Lauritzen Family, thanking the Board for its condolences on the loss of Bruce Lauritzen, the husband of former Board member Gerry Lauritzen.

**17. Next Meeting**

Thursday, August 1, 2024, Telegraph Lofts West, 2077 N St, Suite 310, Lincoln, NE 68510, 1:30 p.m.

**18. Adjourn**

Chair Hellbusch adjourned the meeting at 5:30 p.m.



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Karl L. Elmshaeuser  
Executive Director