

MINUTES

Nebraska Environmental Trust Board
Fourth Quarter Meeting
Thursday, November 7, 2024
1:30 p.m.

1. Call to Order

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

Advanced notice of the meeting and public hearing was published in the Lincoln Journal Star on October 29, 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 (13):

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

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

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

State Agency Representatives: Mr. Jesse Bradley, Interim Director, Nebraska Department of Natural Resources; Mr. Tim McCoy, Director, Nebraska Game & Parks Commission; Ms. Charity Menefee, Director, Nebraska Department of Health and Human Services; Ms. Kara Valentine, Interim Director, Nebraska Department of Environment and Energy

Members Absent (1):

State Agency Representatives: Vice-Chair Sherry Vinton, Director, Nebraska Department of Agriculture

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

Executive Director Elmshaeuser introduced new board members, Ms. Kara Valentine and Mr. Jesse Bradley.

2. Consent Agenda

Background on Consent Agenda Items

The consent agenda included the August 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. Davidson, "I move to approve the consent agenda."

Voting Aye: Hellbusch, Vasko, Davidson, Quandahl, Helgoth, Andersen, Hansen, McCoy, Menefee, Bradley, Valentine, Kanger, Christen

Absent: Vinton

13 Voted Aye. Motion carried.

3. Public Comment

None

4. Board Development – Informational reviews

a. Nebraska Lottery Presentation

Mr. Brian Rockey, Director of the Nebraska Lottery and Charitable Gaming Division, provided a Nebraska Lottery briefing to the NET Board. As of October 2024, the Nebraska Lottery has paid out over a billion dollars to beneficiaries since its inception in 1993. As outlined in the Nebraska Constitution, the distribution formula for the State Lottery proceeds is as follows: education as directed by the Legislature (44.5%) – currently distributed to the Nebraska Education Improvement Fund; Nebraska Environmental Trust Fund (44.5%); Nebraska State Fair (10%); and the Compulsive Games Assistance Fund (1%, plus the first \$500,000 in fund proceeds each fiscal year). As per legislative mandates, criteria for proceeds distribution are established by the beneficiary funds. Every county in Nebraska has received service through grants funded with Nebraska Lottery proceeds. Mr. Rockey answered questions from the NET Board members.

5. Public Hearing on Proposed Eligibility Recommendations for the 2025 Grant Cycle

As presiding officer, Mr. Quandahl opened the public hearing at 1:52 p.m. to accept testimony on the proposed eligibility recommendations for the 2025 Grant Cycle under consideration by the Nebraska Environmental Trust Board, pursuant to Neb. Rev. Stat. §§ 81-15,167 through 81-15,176.

Written Testimony

Ms. Sharon Powell, President, Parks & Recreation Board/Judith Stanton, Grant Administration & Consulting LLC, to appeal the proposed ineligibility status for grant 25-103 and to outline the benefits and issues of the swimming pool revitalization project.

Testimony During Hearing

Mr. Dakota Staggs – Nebraska Children and Families Foundation, outlined the benefits of grant application 25-113 to expand the Nebraska Youth Conservation Initiative.

Ms. Liz Elliott – City of Lincoln, spoke on behalf of Lincoln's StarTran grant application 25-111 and described the reasons for the request and the proposed benefits.

Ms. Sharon Powell – Village of Utica, outlined the purpose of grant application 25-103 and the benefits it would provide. Reconsideration of eligibility was requested.

Mr. Dale Gubbels – Firstar Fiber, Inc., described the struggles of rural recycling and how grant application 25-118 would provide ways for local communities to overcome challenges to sustain their recycling programs.

The public hearing concluded at 2:07 p.m.

6. Grants Committee Report and Recommendations for Grant Application Eligibility

Background on Grant Application Eligibility

After the September 3, 2024, deadline for grant applications, the Grants Committee received the applications after the Executive Director reviewed them for completeness. If necessary, a technical review was conducted. The results of technical reviews were provided to the Grants Committee members through the Grants Portal. The Grants Committee makes its recommendations to the NET Board for consideration. The NET Board may adopt or modify the eligibility determinations. After the Board's final determination, eligible applications will be referred to the Grants Committee to use the project ranking and scoring system approved at the May 2, 2024, NET Board meeting.

Committee Chairman Kanger reported that the Grants Committee included Board members Jim Hellbusch, Roger Helgoth, Eric Hansen, Tim McCoy, and Sherry Vinton. An explanation of the Committee processes was provided. The Grants Committee met on October 22, 2024, and determined 57 out of 66 applications to be eligible. Eligibility determinations were made following the rules and regulations in Title 137 and state statutes.

Motion by Mr. Kanger, seconded by Ms. Menefee, “As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board deems the following projects eligible, as recommended by the Grants Committee: 25-161, 25-164, and 25-160.”

Executive Director Elmshaeuser noted the full Board had an opportunity to review the applications in the Grants Portal before the meeting.

Discussion: None

Voting Aye: Vasko, Davidson, Quandahl, Helgoth, Andersen, McCoy, Menefee, Bradley, Valentine, Kanger, Hellbusch, Christen

Abstaining: Hansen

Absent: Vinton

12 Voted Aye. 1 Abstained. Motion carried.

Motion by Mr. Kanger, seconded by Mr. Quandahl, “As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board deems the following projects eligible, as recommended by the Grants Committee: 25-102, 25-106, 25-124, 25-126, 25-142, and 25-155.”

Discussion: None

Voting Aye: Davidson, Quandahl, Helgoth, Andersen, Hansen, Menefee, Bradley, Valentine, Kanger, Hellbusch, Vasko, Christen

Abstaining: McCoy

Absent: Vinton

12 Voted Aye. 1 Abstained. Motion carried.

Motion by Mr. Kanger, seconded by Mr. Quandahl, “As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board deems the following projects eligible, as recommended by the Grants Committee: 25-101, 25-104, 25-105, 25-107, 25-108, 25-109, 25-110, 25-111, 25-112, 25-113, 25-114, 25-115, 25-116, 25-117, 25-118, 25-121, 25-122, 25-123, 25-127, 25-128, 25-129, 25-130, 25-131, 25-132, 25-134, 25-135, 25-136, 25-137, 25-138, 25-139, 25-140, 25-141, 25-143, 25-144, 25-145, 25-146, 25-147, 25-148, 25-149, 25-150, 25-152, 25-153, 25-154, 25-156, 25-162, 25-163, 25-165, and 25-166.”

Discussion: None

Voting Aye: Quandahl, Helgoth, Andersen, Hansen, McCoy, Menefee, Bradley, Valentine, Kanger, Hellbusch, Vasko, Davidson, Christen

Absent: Vinton

13 Voted Aye. Motion carried.

Motion by Mr. Kanger, seconded by Mr. Helgoth, “As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board deems the following projects be

ineligible, as recommended by the Grants Committee: 25-103, 25-119, 25-121, 25-125, 25-133, 25-151, 25-157, 25-158, 25-159.

Discussion: Mr. Andersen noted that the board material listed project 25-120 instead of 25-121 for ineligibility.

Amended motion by Mr. McCoy, second by Ms. Menefee, "I move to exclude 25-121 and include 25-120 in the previous motion."

Discussion: It was clarified that grant projects deemed either eligible or ineligible were sent a notification after the Grants Committee made their recommendation. This allows the applicant to testify or provide written comments for the NET Board's public hearing on the proposed eligibility recommendations.

Voting Aye: Andersen, Hansen, McCoy, Menefee, Bradley, Valentine, Kanger, Hellbusch, Vasko, Davidson, Quandahl, Helgoth, Christen

Absent: Vinton

13 Voted Aye. Motion carried.

Original motion as amended by Mr. Kanger, seconded by Mr. Helgoth, "As Chairman representing the Grants Committee, I move that the Nebraska Environmental Trust Board deems the following projects be ineligible, as recommended by the Grants Committee: 25-103, 25-119, 25-120, 25-125, 25-133, 25-151, 25-157, 25-158, 25-159.

Discussion: None

Voting Aye: Helgoth, Andersen, Hansen, McCoy, Menefee, Bradley, Valentine, Kanger, Hellbusch, Vasko, Davidson, Quandahl, Christen

Absent: Vinton

13 Voted Aye. Motion carried.

Executive Director Elmshaeuser reported the grants deemed eligible will return to the Grants Committee for the scoring process. The Committee will meet in December to review the scores for each project. In January, the full Board will act on the Grants Committee recommendations for the proposed funding of the 2025 grant projects.

7. Property Request, Platte River Basin Environments, Inc. (PRBE)

Background on Agenda Item 7

PRBE used NET funding to purchase property in grant project 11-164-2. The Warranty Deed specifies that the property may not be encumbered without the NET's prior approval. PRBE has held FSA Conservation Reserve Program (CRP) contracts in the past. Approval must be obtained from the NET Board before encumbering property under a new FSA contract.

Motion by Mr. McCoy, seconded by Mr. Davidson, "I move to approve the request by the Platte River Basin Environments, Inc. to encumber tracts 11770, 12925, 11139, and 13089 with a new FSA CRP and Conservation Reserve Enhancement Program (CREP) contract."

The Board took a break from 2:29 p.m. to 2:39 p.m.

Discussion: In response to a Board member’s question about the project’s purpose, a summary for grant 11-164-2 was provided. Mr. McCoy stated that the tracts in the project were still listed in the Nebraska Game and Parks Commission’s public access atlas.

Voting Aye: Hansen, McCoy, Menefee, Valentine, Kanger, Hellbusch, Vasko, Davidson, Quandahl, Helgoth, Andersen, Christen

Abstaining: Bradley

Absent: Vinton

12 Voted Aye. 1 Abstained. Motion carried.

8. Grant Modification Requests

a. Budget Modification – 23-117 – Middle Niobrara NRD

Middle Niobrara Natural Resources District (MNNRD) was notified in June that only 12% of the funds allocated for year one had been expended. Executive Director Elmshaeuser reported that a motion did not pass at the August 1, 2024, NET meeting to deobligate residual grant funds for grant project 23-117. On August 18, 2024, Assistant State Conservationist-Water Resources and Easements of the USDA-Natural Resources Conservation Service clarified in an email that the Long Pine watershed plan was submitted to NRCS in March 2024, not 2023. The email also noted that the Deputy Chief of Programs had notified all watershed program managers the previous week that funding for the watershed programs is currently very low. As a result, the programs will be placed on a waitlist until additional funding becomes available. Grants Administrator Adams reported that the MNNRD still lacked the necessary matching funds from the federal government and had requested to move the activities planned for year two to year three.

Motion by Mr. Hellbusch, seconded by Mr. Quandahl, “I move to defund grant project 23-117.”

Discussion: Chair Christen questioned whether this project was being treated the same as other grant projects due to its quality. Concerns about MNNRD’s request to delay the implementation of the project were discussed.

Voting Aye: Kanger, Hellbusch, Quandahl, Andersen, Hansen, Christen.

Voting Nay: Bradley, Valentine, Vasko, Davidson, Helgoth

Abstaining: McCoy, Menefee

Absent: Vinton

6 Voted Aye. 5 Voted Nay, 2 Abstained. Motion carried.

b. Grant Extension – 23-127 – Village of Lindsay

Motion by Mr. Davidson, seconded by Mr. Andersen, “I move to approve the Village of Lindsay’s request to extend project 23-127 for six months.”

Discussion: None

Voting Aye: Menefee, Bradley, Valentine, Kanger, Hellbusch, Vasko, Davidson, Quandahl, Helgoth, Andersen, Hansen, McCoy, Christen

Absent: Vinton

13 Voted Aye. Motion carried.

9. Closeout Report of Grants

Background on the Closeout Report

Once a project contract has reached the end date, the grantee must submit a final report. NET staff reviews reports, disbursement requests, and project balances after the contract has ended. Before closing out projects in the Grants Portal, the staff creates a summary report for Board review regarding each grant's final status. Before this report is generated, the executive director reviews any grant project that has violated its contract and sends a written 15-day notice. If the grantee does not comply with the notice, the grant may be revoked, disbursements may be withheld, or the grantee may be required to reimburse the grantor. The final closeout report includes summary information for revoked grants.

Motion by Mr. Andersen, seconded by Ms. Menefee, "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: A concern was raised about unspent funding after the completion of grant projects. It was noted that inflationary increases and unknown landowner or public participation can affect the amount requested and what may remain after a project is completed. It is important for grantees to submit their reports on time and fulfill what is outlined in their grant application. Grantees are encouraged to manage their funding responsibly and are not penalized for not using all their appropriated funding. After the grant is closed, the remaining funding becomes available for future grant projects.

Voting Aye: Bradley, Valentine, Kanger, Hellbusch, Vasko, Davidson, Quandahl, Helgoth, Andersen, Hansen, McCoy, Menefee, Christen

Absent: Vinton

13 Voted Aye. Motion carried.

10. NET Policy, Grant Modification Requests

Background on Agenda Item 10

As a result of biennium budget preparations, additional historical and statutory reviews were conducted regarding the rollover of funding obligations for the NET. These reviews clarified the statutory limitations on requests for grant extensions. During the NET Board meeting on August 1, 2024, a motion to adopt additional policy language to make the limitations more accessible did not pass. During the discussion, there were questions about whether NET's statutes could be amended to permit funding extensions beyond the current or subsequent biennium, based on a case-by-case evaluation of the reasons for project delays.

Executive Director Elmshaeuser reported that further research indicates that the authority to reappropriate funding lies at the discretion of the Legislature as outlined in the legislative biennium and mid-biennium budget bills. The requirements to follow the Nebraska statutes remain without a NET policy change. It is unlikely that a NET project would be eligible for an extension resulting in a reappropriation request in the budget bill, nor would the necessary milestones coincide with the legislative process. Changing a NET statute to provide case-by-case authority to extend funds is outside the appropriation process.

11. Directors Report

a. Reviews of Annual Reports

Executive Director Elmshaeuser reported some general language issues in the annual reports for grant projects. Specific information on what was done and how it was done within the scope of

the application is needed. Generally, 80 to 90% of grantees stay on track with their project timeline. Any parameters outside the grant award come before the Board. Grants Administrator Adams noted some grant projects are completed quickly since they are for equipment purchases and installations. Approximately, thirty-five percent of the grant applicants this year have not applied for a grant in the last three or more years.

Thank you notes from grantees were shared with the Board.

12. Next Meeting

Thursday, January 9, 2025, Telegraph Lofts West, 2077 N St, Suite 310, Lincoln, NE 68510, 1:30 p.m. A public hearing will be held to accept testimony on the proposed funding list for the 2025 grant cycle.

13. Adjourn

Chair Christen adjourned the meeting at 3:43 p.m.



Karl L. Elmshaeuser
Executive Director