

MINUTES

Nebraska Environmental Trust
1st Quarter Board Meeting
Thursday, February 9, 2017
1:30 p.m.

Ferguson House
Lincoln, Nebraska

The Nebraska Environmental Trust Board met at the Ferguson House, Lincoln, Nebraska for the transaction of business. Advance public notice was given through release to news media and official public notice in the "Lincoln Journal Star" on Thursday, January 5, 2017. The advance public notice was given through release to the news media and official public notice in the "Lincoln Journal Star" on Monday January 9, 2017, for the By-Laws and Title 137.

The meeting was called to order at 1:35 p.m.

Mr. Brohman explained that the Chair was out of the country on a personal matter and the Vice-Chair, Mr. Macy, would be conducting the meeting.

Roll call was conducted and a quorum was established.

Members present were: Mr. Rod Christen, Steinauer; Mr. Jim Douglas, Nebraska Game & Parks; Mr. Paul Dunn, Omaha; Ms. Gloria Erickson, Holdrege; Mr. Jeff Fassett, Nebraska Department of Natural Resources; Mr. Jim Hellbusch, Columbus; Mr. Jim Macy, Nebraska Department of Environmental Quality; Ms. Sherry Vinton, Whitman; and Mr. Kevin Peterson, Osceola.

Member joining late: Mr. Greg Ibach, Nebraska Department of Agriculture

Members joining by phone: Mr. Bob Krohn, Omaha.

Members absent: Ms. Gerry Lauritzen, Omaha, and Dr. Tom Williams, Nebraska Department of Health and Human Services, Division of Public Health. We also have a vacant position on the Environmental Trust Board because Mr. Henry "Rick" Brandt resigned to assume a position on the Nebraska Game and Parks Commission Board on January 18, 2017.

Staff present were: Mr. Mark Brohman, Executive Director; Ms. Marilyn Tabor, Grants Administrator; Ms. Allison LaDuke, Grants Assistant; Ms. Sheila Johnson, Public Information Officer and Ms. Pam Deines, Administrative Secretary.

Agenda Item #3: Minutes of the November 3, 2016 Board Meeting. Minutes of the November 3, 2016 board meeting were received.

Motion by Mr. Fassett, seconded by Mr. Douglas to accept the minutes as received.

Voting Aye: Mr. Christen; Ms. Erickson; Mr. Douglas; Mr. Macy; Mr. Peterson; Mr. Fassett and Ms. Vinton.

Abstaining from the vote: Mr. Dunn and Mr. Hellbusch.

Absent: Mr. Ibach, Mr. Williams and Ms. Lauritzen. Motion carried.

Agenda Item #4: Financial Reports. Mr. Brohman presented the report. The Trust is in good shape on percentage of funds spent. Explanation of some of the percentage increases in some areas. The area with the over spending deals with work done on the database. Question on grant disbursement was addressed by Ms. Tabor. Lottery proceeds 3 of the 4 quarters were the highest ever with a 9.8% increase. Discussion on talks with the lottery office on the predictions for the upcoming year. Appropriations Committee have taken notice of the proceeds.

Motion by Mr. Dunn seconded by Ms. Erickson to accept the Financial Reports.

Voting Aye Mr. Christen, Mr. Douglas, Mr. Dunn, Ms. Erickson, Mr. Fassett, Mr. Hellbusch, Ms. Vinton, Mr. Macy and Mr. Peterson.

Absent: Mr. Ibach; Mr. Williams; and Ms. Lauritzen. Motion carried.

Agenda Item #5: Staff Report. a.) **2018 Proposed Calendar.** Mr. Brohman provided the proposed dates and reminded everyone that we would vote on the dates at the April meeting. We will confirm calendar at the April meeting. Mr. Dunn would request that the next February Board meeting be on a Tuesday because of a large event in Omaha for 2018. The 2017 3rd Quarter meeting will be in Omaha. Ms. Lauritzen would like to host a dinner one of the nights. b.) **Grant Administration Report.** Ms. Tabor presented the report. Late reports are down and she has been communicating with these grants. Gave updates on these grants. c.) **Ferguson House Report.** Mr. Brohman presented the report. The Ferguson House continues to have very busy schedule with a variety of activities. We have many events which keep Allison busy and she has done a good job in scheduling and maintaining a smooth schedule. Mr. Brohman would like to publicly thank Allison for all of her time and hard work on these events. d.) **Director's Report.** Mr. Brohman presented his report. Sad presentation but also an honor to present Gloria Erickson with recognition for all of her knowledge and service for all the past years to the Nebraska Environment Trust. Ms. Erickson said a few words of thanks for being recognized and her passion for what she has done and continues to do. Mr. Brandt has left the Nebraska Environmental Trust to take a position on the Nebraska Game and Parks Commission. We will provide Mr. Brandt a recognition for his service on our board at a future date. Mr. Brohman thanked Mr. Peterson as he also is not going to rejoin the Board of Environmental Trust. Mr. Peterson expressed his gratitude for the time he has been a part of the Nebraska Environmental Trust. Mr. Brohman updated the board on the Ferguson House back porch which now has a RFP out for the repair. An 18 month audit that is going to be set up at the Game and Parks Commission which will run from July 1, 2015 to December 2016. A picture of the Sandhill Crane statue that is going to be purchased for Lori Moore's Memorial was circulated.

Agenda Item #6: Public Hearing at 2:00 p.m. for Title 137.

Paul Dunn acted as hearing officer. Public Notice was published in the Lincoln Journal Star on January 9th, 2017. Staff went over recommendations. The minutes of the AD HOC Rules and Regulations Committee June 9th, 2016 and recommendations on Title 137 were reviewed. Line item on page 6-2 deleted outdated reference on that page, page 6-3 #5 is being added to match Secretary of State guidelines. Page 6-4 took out section that has been changed. On page 6-6 updated language, 6-7 statutory reference change and updates, 6-8 another statutory change, applications changes. Delete obsolete language. Deleting section 1.01 because applications may be submitted electronically. On page 6-9 change to meet Secretary of State guidelines and 6-10 statutory reference change. Page 6-15 one legislative change goes for majority instead of 8 members mandate from Legislature. Page 6-16 verbiage change, 6-18 change to meet Secretary of State guidelines and statutory change. Mr. Brohman thanked Jim Douglas for Sandra Paice's assistance for helping with the set up on the changes. There was no public testimony.

Motion to approve Mr. Peterson seconded by Mr. Dunn.

Voting Aye: Mr. Ibach; Ms. Erickson; Mr. Fassett; Mr. Douglas; Mr. Macy; Mr. Christen; Ms. Vinton; Mr. Dunn; Mr. Hellbusch; and Mr. Peterson.

Absent: Dr. Williams and Ms. Lauritzen

Agenda Item #7: Public Hearing at 2:30 p.m. for Nebraska Environmental Trust By-Laws.

Mr. Dunn acted as hearing officer. Public Notice was published in the Lincoln Journal Star on January 9th, 2017. Staff was called upon for the recommendations. Discussed By-laws at the 3rd Quarter meeting in August at Fort Robinson and reference is made to the AD Hoc Committee meeting in June 9, 2016 on the By-Laws. Finance Committee will develop the biennial and annual budget. Added that the Executive Director would act as chair until chair is filled. Finance committee chair will assume the Vice Chair, Legislative Committee Chair will be the third Vice Chair, and Grants Committee Chair designated as 4th Vice Chair. There was no public testimony.

Motion to approve Mr. Peterson seconded by Mr. Dunn.

Voting Aye: Mr. Dunn; Ms. Vinton; Mr. Douglas; Mr. Fassett; Ms. Erickson; Mr. Christen; Mr. Hellbusch; Mr. Ibach; Mr. Peterson; and Mr. Macy.

Absent: Dr. Williams and Ms. Lauritzen

Agenda Item #8: Request to transfer 160-acre Bachman Tract from the Nature Conservancy to the Iowa Tribe of Kansas and Nebraska.

The Nature Conservancy intends to transfer the 160-acre "Bachman" Tract they own in Richardson County to the Iowa Tribe of Kansas and Nebraska. The Nature Conservancy

received \$53,000 in 1996 from the Trust (Grant 96-236) total amount paid \$60,000 and other costs were paid by the Nature Conservancy. Dr. Mace Hack, State Director of the Nature Conservancy, was present to discuss the Bachman Tract. The Tribe feels it would complement their existing properties. The Tribe feels that they have the capability to maintain the tract and an easement will remain with The Nature Conservancy. The property would be gifted to the Tribe. Allen Kelly, Vice Chair of the Tribe, spoke and admired what has been done to the land and would want to continue the same. Currently they own land on the three sides of this property, adjacent they have an area called Pauline's Pond in which they are trying to restore at this time. Planning on doing plant restoration, have some existing areas but want to expand. He is taking classes on plant restoration. Conservation easement does not exist at this time but would be put into place. The easement will restrict housing, development, and prohibits gross changes to the land. Over the years the Nature Conservancy has been restoring and maintaining the property to improve the property. The tax assessed value now is \$135,000. The Nature Conservancy was paying taxes but if it can be put into a trust it will not be taxed. They are self-sufficient as a tribe. The county would have to approve and transfer would be subject to the Conservation Easement. A Memorandum of Agreement would be arranged and go through the proper steps to be a simultaneous transaction. The Nature Conservancy would hold the conservation easement. Restoration started from the beginning. Ms. Erickson asked if Mr. Kelly would mind the easement, in which he said he has no objection. Currently they have bee hives, looking to add pollinators, etc. The Tribe is willing to accept the property with an easement which has already been negotiated with the Tribe. The County can't prohibit the transfer. Question was asked if this transaction could be handled as a cash sale, but this would be a breaking of ties for the Trust. The Nature Conservancy thought that the Trust would want to be a part of the environmental aspect of the land.

Motion by Mr. Douglas to approve transfer of property with a contingency of a conservation easement by The Nature Conservancy and approved by the county; seconded by Mr. Dunn

Voting Aye: Mr. Douglas; Ms. Erickson; Mr. Ibach; Mr. Hellbusch; Mr. Dunn; Mr. Fassett; and Mr. Macy.

Voting Nay: Mr. Christen and Ms. Vinton

Abstaining: Mr. Peterson

Absent: Dr. Williams and Ms. Lauritzen. Motion Carried.

Agenda Item #9 Grant Modification Requests. Ms. Tabor had one grant modification request. Explanation by Ms. Tabor, Bird Conservancy of the Rockies requested a 1-year extension. Discussion.

Motion by Mr. Dunn and seconded by Ms. Vinton.

Voting Aye: Ms. Erickson; Mr. Fassett; Mr. Douglas; Mr. Ibach; Mr. Hellbusch; Mr. Macy; Ms. Vinton; Mr. Peterson; Mr. Dunn; and Mr. Christen.

Absent: Dr. Williams and Ms. Lauritzen. Motion carried.

Agenda Item #10: Report of Legislative Committee and Recommendations. Mr. Dunn presented the report. Looked at the bills that were presented and some that were recognized after that meeting. The only formal recommendation from the committee was that the LB 331 be referred to the board because there was plenty of time before the public hearing was to take place and wanted full board discussion on it and it was basically the continuation of the funds going to the Department of Natural Resources, \$ 3.3 million per year for three years with matching funds in it for two years from General Funds. Discussion. Ms. Lauritzen had a discussion with Mr. Brohman in that we do want to stand up for ourselves and point out problems we see with LB 331. Mr. Brohman asked Mr. Fassett to explain where the money was going once in the Water Resources cash fund. LB 331 is going before the Appropriations Committee. Mr. Fassett explained where the money is going and how it was used so we as a board would have more information. Mr. Fassett provided quarterly reports on accountability and an annual report to show how the dollars are spent. Continued discussion after Mr. Fassett's explanation. Mr. Krohn suggested that since there is a long history with this water program we need to follow up with this and devote the effort toward the water program.

Motion by Mr. Douglas and seconded by Mr. Christen to accept the recommendation by the committee and have Mr. Brohman testify neutral on LB 331, but point out Trust concerns.

Voting Aye: Mr. Hellbusch; Mr. Macy; Ms. Erickson; Mr. Douglas; Mr. Dunn; Mr. Christen; Ms. Vinton and Mr. Peterson.

Voting Nay: Mr. Ibach

Abstaining: Mr. Fassett

Absent: Dr. Williams and Ms. Lauritzen. Motion carried.

LB 312, LB 452, LB 563 all are dealing with repealing the tax exemption to Lottery Sales, thus affecting the Trust. Originally off the radar because the language impacting Lottery Sales was in the repealer clause on end of the legislative bills. Mr. Brohman has talked to the Senators and their staff on these legislative bills and most didn't realize it was attached to the bill. It could be up to a \$4.4M/year effect on the Trust.

Motion by Mr. Dunn and seconded by Mr. Douglas to testify against these bills if there is no change in the language. Allow Mr. Brohman to coordinate with the others.

Voting Aye: Mr. Fassett; Mr. Hellbusch; Mr. Ibach; Ms. Vinton; Mr. Christen; Mr. Macy; Mr. Douglas; Ms. Erickson, and Mr. Dunn.

Abstaining: Mr. Peterson

Absent: Dr. Williams and Ms. Lauritzen.

LB 23; No testifying;

LB 71; Fund \$3M/year for Tree Recovery Program fund. We need to watch to prevent going to Trust to get the money. Support what it is being done but not take money from the Trust. Let them apply like everyone else. Mr. Brohman would recommend to testify in a neutral position. We are in favor of the project but oppose taking directly from the Trust but welcome them to apply to the Trust for education and tree planting.

Motion by Mr. Peterson to recommend Mr. Brohman testify in a neutral position and will be allowed to change if amendments are negative at the hearing, second by Ms. Erickson.

Voting Aye: Ms. Vinton; Mr. Macy; Mr. Hellbusch; Mr. Douglas; Mr. Dunn; Mr. Fassett; Mr. Christen; Mr. Peterson and Ms. Erickson.

Absent: Mr. Ibach had to leave; Dr. Williams and Ms. Lauritzen.

LB 127: Just need to monitor

LB 327: Spending authority on spending lottery increase. The Appropriations Committee needs to make their recommendation so we would be supporting what the Governor recommended.

Motion by Mr. Peterson to recommend Mr. Brohman testify in a positive position and seconded by Mr. Hellbusch.

Voting Aye: Mr. Christen; Ms. Erickson; Mr. Hellbusch; Mr. Peterson; Mr. Fassett; Ms. Vinton; Mr. Macy; Mr. Douglas; and Mr. Dunn.

Absent: Mr. Ibach had to leave; Dr. Williams and Ms. Lauritzen.

LB 610: Adopt the Community Solar Energy Economic Development Act. Did have some language issues in the legislative bill that would affect the Trust Statutes that would not be in the Trust's best interest but Mr. Brohman went to Senator Kolowski and explained how it could be a problem and Senator Kolowski understands and was going to strike the language in an amendment. Mr. Brohman would like to go and testify in support with this change in place.

Motion by Mr. Dunn to recommend Mr. Brohman testify in a positive position and seconded by Ms. Vinton.

Voting Aye: Ms. Vinton; Mr. Fassett; Mr. Douglas; Mr. Dunn; Mr. Peterson; Mr. Christen; Mr. Hellbusch; Mr. Macy and Ms. Erickson.

Absent: Mr. Ibach had to leave; Dr. Williams and Ms. Lauritzen.

LR 455: Contains items that Senator Larson had talked about putting into Legislation this year but he has taken a different path to probably address these issues next year in the short session. We need to monitor it and attend any meetings held.

Agenda Item #11: Report of Grants Committee and Recommendations. Mr. Peterson, Grants Committee Chair, addressed the committee referring to the memo on 11-3. Serving on the committee were Rick Brandt, Bob Krohn, Gloria Erickson, Jeff Fassett, and Jim Douglas. The committee met five times; there were 255 TAC reviews. When adopted, their recommendations will provide for distribution of \$16,680,000 this year to 85 projects. This includes the 52 carry over grants for \$11,762,424 and 33 new grants totaling over \$4,917,576, this year.

Since the recommendation had come from a committee no motion was necessary to accept the Rank Order List.

Motion by Mr. Peterson and seconded by Mr. Fassett to receive the report of the Grants Committee.

Voting Aye: Mr. Peterson; Mr. Douglas; Ms. Vinton; Mr. Dunn; Mr. Christen; Mr. Fassett; Ms. Erickson; Mr. Hellbusch and Mr. Macy.

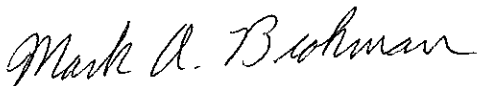
Absent: Mr. Ibach had to leave, Dr. Williams and Ms. Lauritzen. Recommendation carried.

Agenda Item #12: Public Comment and Good of the Order. Possibly have a two year position on the Grants Committee so more experience on board and rotating. Mr. Douglas mentioned that if there is a coordinating meeting that he be a part of it.

Agenda Item #13: Date and Location of Next Meeting. The next meeting will be held on Thursday, April 6, 2017 at 1:30 p.m. at the Ferguson House.

Agenda Item #14: Adjourn. Mr. Macy adjourned the meeting at 4:35 p.m.

Respectfully submitted,



Mark A. Brohman
Executive Director