

**North Dakota Natural Resources Trust  
Board of Directors Meeting  
January 20<sup>th</sup>, 2022 at 8:30am  
Zoom Video Conference Call/NDNRT Conference Room – Bismarck, ND**

Attendees: Board members Jerry Doan, Randy Renner, Duane Hauck, Dave Dittloff and Marshall Johnson were present; Gene Veeder was absent. Ex-officio representative Scott Peterson, Deputy Director of ND Game and Fish Department, was present for Jeb Williams. Trust staff present were Keith Trego, Terry Allbee, Jesse Beckers, Eric Rosenquist, Rick Warhurst and Brenda Newton. Others in attendance include John Hagan of SEI Investment Company, Andrea Gue of the Bureau of Reclamation, Greg Link of the ND Game & Fish Department and Rocky Bateman, Area 4 Research Farm.

**8:30am**

Marshall called the meeting to order. Roll call was taken. Marshall asked for any announcements or changes to the agenda. Marshall asked for a motion **“to approve the agenda.” Jerry moved and Dave seconded. All were in favor, motion carried.** Marshall asked for any additions or corrections to the 2021 September Board Minutes, September & November Strategic Planning Minutes, December Bylaws Committee Minutes, and January Finance Committee Minutes. Marshall called for a motion **“to approve the minutes.” Duane motioned** and asked that action items be highlighted when sent out to Board members for review. **Dave seconded. All were in favor, motion carried.**

John Hagan presented SEI’s performance review of the Trust’s portfolio for 2021. The Consolidated Portfolio totals \$37.6 Million with a 10% return at the end of 2021. Equities did well in 2021, but the bond markets were flat. This is partially due to inflation, which will likely continue to run above expectations. The Trust had investment earnings totaling \$4.2 Million in 2021. John is pleased with the way the Trust’s current investments are performing and recommends no changes at this time.

Terry presented the 2021 actual to budget report. The Finance Committee met and reviewed the financial information on January 12<sup>th</sup>. The Trust’s 2021 fiscal highlights include a record year of investment earnings, increase in number of private lands conservation projects, three new grant approvals from the Outdoor Heritage Fund, resulting in increased delivery of conservation habitat programs especially associated with Outdoor Heritage Fund grants. Other highlights included the partial completion of the office remodel. The Trust was able to provide \$3.4 million dollars in on-the-ground projects in 2021, which is a record high for the Trust. The Trust also completed another 5-year agreement renewal with the US Bureau of Reclamation in September with the latest allocation totaling \$1,025,000.

Terry also presented the 2022 proposed budget. He first reviewed what was discussed at the Finance Committee meeting regarding the \$4.2 Million in investment earning. Keith and the Finance Committee recommended that the Trust move \$1.5 Million of the earnings into the Retained Earning investment account at SEI. The Board discussed if it should be move in increments or all at once. John noted that trying to time the market is usually unsuccessful. The Board agreed to move it all at once. **Jerry motioned “to move \$1.5 Million of earnings into the SEI Retained Earnings account.” Marshall seconded.** Randy explained that leaving the money in the Federal account would mean it would remain

as unspendable, so moving the earnings allows for spendable income. **All were in favor, motion carried.** Terry reviewed the 2022 budget highlights. Compared to 2021, income in 2022 is expected to be higher, with administration, project related income, wetland and grassland projects and energy income to be higher. Cooperative agreement income is expected to be slightly lower. Terry reviewed expected expenditures for 2022. He noted that excise taxes increased for the Trust, since our investment income increase. He also explained that staff salaries would increase more than usual, due to a 5.1% cost of living increase. Trust salaries follow pay plans that adjust for the yearly federal cost of living increase. Terry also noted that the Trust is also expecting an increase in grassland and wetland projects for 2022. This includes OHF grant activity and the inclusion of an addition staff person to manage RCPP activities.

Brenda reviewed the Trust's Small Grant Program. As like 2020, 2021 grantees had a difficult time completing proposed activities and programs as planned, partially do to Covid restrictions. As a result, the Trust has \$100,000 in outstanding grant dollars. Brenda recommended that \$75,000 to be approved for the 2022 Small Grant Program. Grant proposals will be approved at the spring board meeting. The board was in favor and the amount will would be approved with the budget.

Eric gave a Dakota skipper update. The Trust created a model to help target areas where the Trust can spend energy offset dollars intended for the Dakota skipper. The US Fish & Wildlife Service, Ecological Services office approved the model. In spring 2022, three projects will be started using these funds. Two projects are on private lands and one is on Upper Souris National Wildlife Refuge, totaling approximately 300 acres. The projects focus on creating high quality and high diversity grasslands. The private lands projects are enrolled in the Audubon Conservation Forage Program, with the Trust adding additional funds to increase diversity and longevity to the projects. Both projects also are enrolling into perpetual easements, mostly due to the addition of the Trust's incentive funds. This year, the Trust will be working on increasing its marketing to partners of these incentive dollars that can be used in conjunction with their programs.

Jesse updated the Board on carbon projects. The Bakken II program has money allocated towards soil health monitoring. Those samples were taken and analyzed in 2021 by Rebecca Phillips of Ecological Insights. The Trust is also working to create a carbon monitoring study that will not only look at soil carbon, but atmospheric carbon as well. Jesse has been working with the energy industry to gain support for this study. The Trust wants to provide a tool for ranchers as well as showing the benefits of grazing and keeping grassland habitat on the landscape. The Trust plans to put in a grant request with the Oil and Gas Research Council in the spring.

The staff updated the Board on OHF grant activities. Jesse reviewed that status of Bakken I, Bakken II and GRB. He expects Bakken I to be completed in 2023. Bakken II has spent out all grazing systems funds. This prompted the creation of GRB, which already has 80% of the funds allocated. Rick gave an update on his grants. Livestock and Wildlife Dams was completed in 2021 and he was approved for Wildlife and Livestock Dams last spring. Four projects have already been completed. Depending on the weather for construction access, the grant may be completed this year, if not then in 2023. Rick also mentioned the Trust cost-shared on a wetland project with DU in 2021. He plans more wetland projects to be completed this year. The Board asked if the Trust plans to create a map showing all their accomplishments. Brenda noted that creating a geodatabase is in the works and Terry mentioned that the budget reflects that work. Terry noted that the Trust currently has 11 open OHF grants. Seven of those grants have all or most of the funds obligated. Four grants are expected to be completed this year. The Trust plans to apply for 2 to 3 more grants in the next two OHF rounds. The Trust always wants there to be programs available to landowners that need assistance.

Rick gave an update on NAWCA. At the beginning of FY22, there was \$117 Million available. 28 proposals were approved in Round 1, totaling \$34 Million. Rick left as a staff member when Terry Steinwand retired at the end of July. Jeb Williams is waiting to be confirmed as a council member. When he is, Rick will resume as a staff member.

Greg Link from the ND Game & Fish Department updated the Board on the status of the Meadowlark Initiative (MI). He explained that the MI is the overarching component of an RCPP grant the NDGF received last April. The bulk of promotion for the MI started in November, the same time the RCPP batching period opened. The Trust is helping with project management of the RCPP grant. To aid in this, the Keith explained to the Board that a full time employee will be hired to take over these jobs duties, as well as coordinate a management team and be a liaison between landowners and partners. The position is planned to be paid using grant funds. The Board was receptive to this plan and feels it's a good fit for the Trust.

The Board adjourned for lunch at 12:04pm and reconvened at 1:05pm.

The Board began the afternoon session with Old Business. Keith discussed open meetings and how it applies to Trust business. He gave an overview of a meeting held on January 17<sup>th</sup> between Paul Myerchin, Marshall, Keith, Terry and Brenda. The meeting discussed the Trust's State income and which parts are subject to the ND Sunshine laws. Paul recommended that the Trust continue following the open meetings laws as they have been doing since its inception. Brenda shared a link on the Board portal page of the website, where definitions and guidelines are listed for holding an open meeting. After discussion, the Board agreed to continue following ND Sunshine Law and the Trust will continue business as usual.

Randy started discussion on the Trust's Bylaws by going over what was discussed at the Bylaws Committee meeting held last December. All members present agreed that the Board accept all the recommended changes the staff made to the Bylaws. The NDGF director as an ex-officio member was added. This change was made at the July 1988 board meeting, but never updated in the Bylaws. Language was also revised to reduce redundancy and add clarification. The number of board members that constitutes a quorum was changed from four members to three members, per discussion with Paul Myerchin. A section titled Committees was added. Wording was also updated in the vacancies and resignation sections. **Randy motioned to "accept the changes from the staff to the Bylaws as proposed." Dave seconded. All were in favor, motion carried.**

Keith presented on Strategic Planning. He discussed the Statement of Need he drafted and sent out to the Board last December. The Board discussed the document. They feel that it needs to state more of services needed. It was also noted that the Trust should create a vision statement. Dave volunteered to rework the current Statement of Need document over the next week, then send it back to the board for review. It was decided that after Marshall, Dave and Keith will meet after the document is reworked, to fine tune it and decide next steps. All board members and staff are welcome to join in on the meeting as available. Brenda will send out a Doodle poll to determine a meeting date.

Rocky Bateman presented the status of the Area IV Research Farm purchase. The farm was able to get a purchase extension until June 30<sup>th</sup>, 2022. Getting an appraisal for the farm has been difficult as there are no comparables for such a farm nearby. The Trust will continue to honor the \$100,000 pledged in May 2021 towards the purchase of the farm, if they are able to raise enough purchase funds.

The Board moved onto New Business. The election of officers was first. Marshall noted that he will remain on the Board through spring, but will be ending his term by the end of the year. Marshall made a call for nominations to the board. Randy nominated Dave for president. No further nominations were

made. **Duane recommended nominations cease and moved “to pass a unanimous ballot to elect Dave as president.” Jerry seconded. All were in favor, motion carried.** Next Marshall called for nominations for vice-president. Marshall nominated Randy for vice-president. **Jerry moved “to cast a unanimous ballot to elect Randy as vice-president.” Dave seconded. All were in favor, motion carried.** Marshall called for nominations for secretary/treasurer. **Jerry nominated Duane for secretary/treasurer and moved “to cast a unanimous ballot of Duane for secretary/treasurer.” Dave seconded. All were in favor, motion carried.** The new board of director officers are as stated, Dave Dittloff as president, Randy Renner as vice-president and Duane Hauck as secretary/treasurer.

Next, committee members for the finance and eval committees were discussed. The president sits as a member on each committee. As secretary/treasurer, Duane is chair of the finance committee. Dave appointed Randy to continue sitting on the finance committee. For the Eval committee, Marshall and Dave will continue to be a member. Dave appointed Gene to serve as the third member.

Budget approved as addressed next. Marshall called for a motion to approve the proposed budget. **Randy moved “to approve the 2022 proposed budget.” Duane seconded.** Marshall called for discussion. **All were in favor, motion carried.**

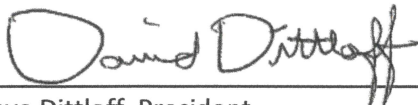
The issue of changing the signatory authority on the Trust’s Prairie Pothole Joint Venture (PPJV) Starion account was presented to the Board by Terry Allbee, the Trust’s Business Manager. The account holds funds for the PPJV and is managed by the Trust through a cooperative agreement. The current signatory authority is held by Jeb Williams, the ND Game and Fish Department Director, and board member of the PPJV. Jeb is leaving the role as a board member of the PPJV and Casey Anderson, ND Game and Fish Department Wildlife Division Chief, will be appointed to the board position. Terry explained that a formal motion is needed to change signatory authority. **Jerry Doan motioned to “remove Jeb Williams and add Casey Anderson for signatory authority on the PPJV account at Starion.” Dave Dittloff seconded. All were in favor, the motion was carried.**

Brenda discussed the annual Conflict of Interest form. The Board and staff are required to fill out the form each year to disclose any money received for services rendered. Brenda will send out the form to all Board members to fill out and return.

The board discussed meeting dates for the spring board meeting. The first or second week of May was decided, and a doodle poll will be sent out to confirm a date that works with everyone’s schedule. Marshall called for a motion to end the meeting. **Jerry moved “to adjourn the meeting at 2:51pm.” Duane seconded. All were in favor, motion carried.**

Submitted by   
Keith Trego, Executive Director

Dated 5/11/22

Approved by   
Dave Dittloff, President

Dated 5/11/2022