

**North Dakota Natural Resources Trust
Board of Directors Meeting
May 18, 2020 at 10:30am
Zoom Video Conference Call**

Attendees: Board members Jerry Doan, Randy Renner, Duane Hauck, Vawnita Best, Dave Dittloff and Marshall Johnson were present. Ex-officio representative Scott Peterson, Deputy Director of ND Game and Fish Department, was present for Terry Steinwand. Trust staff present were Keith Trego, Terry Allbee, Jesse Beckers, Rick Warhurst, Eric Rosenquist and Brenda Newton. Guests include John Hagan and Erin Huber (SEI Investment Company), Leah Burke and Lynnell Rude Ussatis (Haga Krommer, Ltd)

9:00am

Jerry called the meeting to order. Roll call was taken. Jerry asked for any announcements or changes to the agenda. Jerry asked for a motion **“to approve the agenda.” Duane motioned and Randy seconded. Motion carried.** Jerry asked for any additions or corrections to the January and April 2020 Meeting Minutes. Jerry called for a motion **“to approve the minutes as mailed.” Duane motioned and Randy seconded. Motion carried.**

Keith introduced Eric Rosenquist, the Trust’s newest employee. Eric was hired as the Conservation Program Coordinator to facilitate and deliver conservation programs for the Trust. He mentioned that Eric will be starting with the Trust full-time on June 1st. Eric then gave the board a brief overview of his background and interests.

John Hagan presented SEI’s performance review of the Trust’s portfolio for the first quarter of 2020. The market experienced a black swan dive as a result of the COVID 19 pandemic in March, John reported that the Trust’s accounts rebounded in April. Erin Huber presented on our new investment account established to hold excess investment earnings. The Board approved the transfer of \$2 million dollars spread over three months with a balanced asset allocation approach for the retained earnings account. The first transfer was made at the end of April, a second transfer was made last week, and a final transfer is set for July. John reviewed the status of our consolidated, federal account and operating reserve account portfolios.

Terry went over account balances for SEI and Starion, which also includes our partnership accounts. Our USBOR annual distribution of \$996,000 was higher this year than in recent years. To date, the Trust has received \$13,228,050 from the Dakota Water Resources Act of 2000.

Leah and Lynnell from Haga Krommer joined the meeting and reviewed the 2019 financial audit report. They did not find any compliance issues. Two finding that Haga Krommer did report were segregation of duties and preparation of financial statements. Due to the Trust’s small staff size, segregation of duties will always be a finding. The Trust has taken measures to respond to this issue by implementing a system where several staff members separately review financial documents and also by giving the board access to this information. The preparation of financial statements finding is noted because Haga Krommer also prepares the Trust’s financial statements. **Randy motioned to “accept the audit report provided by Haga Krommer.” Dave seconded, motion carried.**

Terry reported on the first four months of 2020 for income and expenses. We had about \$2 Million of unrealized investment loses, due to the market downturn. All income and expenses were tracking according to budget with a few highlights to report for 2020. Our equipment expenses will be higher this year due to the planned remodel and new employee position. The Trust's Kenner Marsh property was accepted for reenrollment into CRP. The Game and Fish Dept. will reseed the property in 2021. There will be an increase in activity on the Trust's cooperative agreements with federal agencies, as they transition into a new federal fiscal system. The Trust has made the \$150,000 contribution to Ducks Unlimited for the Bismarck park project.

Terry presented on the opportunity for financial assistance from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Through the CARES Act the Small Business Administration has funding available for Paycheck Protection Program (PPP), which provides incentives for small businesses including non-profits by loaning funds for payroll expenses. If the employer maintains employees during the loan period of 8 weeks, the loan will be forgiven. The Trust has submitted an application for PPP through Starion Bank. The application has been approved, but now requires signature to finalize loan. Randy motioned **"to approve the Executive Director to finalize the loan with Starion Bank for PPP and report to the Board at the next meeting."** Duane seconded, motion carried.

Brenda reviewed the Small Grant Program proposals for this year. There were 12 proposals submitted, totaling \$102,254 requested for 2020. Brenda gave a brief overview of each proposal and the recommendation for each. The Trust's final recommendation was to accept 10 out of the 12 proposals. Two proposals did not support the educational elements of the Program's statement of need. \$75,000 was approved for new grant proposals at the January BOD meeting. The Trust recommended approval of \$74,705.13 for 10 proposed grants for 2020 and \$9,500 for the second year funding for 1 grant. **Dave motioned "to approve the recommendation given by the Trust."** Duane seconded, motion carried.

Keith presented on the Trust's grant strategies related to declining grasslands and declining grassland bird populations in North Dakota for this year. He reviewed the different types of grants the Trust is looking at putting proposals in for. The Trust is planning to help submit a large USDA RCPP grant with the ND Game and Fish Department and other partners involving conservation cover. The USDA RCPP AFA and ACEP grants are also an opportunity for the Trust to apply for, that could address funding for conservation easements, especially west river.

Terry reviewed the status of the Outdoor Heritage Fund Round 16 from March. There were 12 proposals submitted, adding up to approximately \$32 Million in grant requests. The advisory board approved 5 grants, consisting of \$166,174. The Fund has funded \$47.3 Million in grant requests since its inception. There is \$19 Million available for funding requests for Round 17 in September 2020. Marshall suggested a grant opportunity for September, that would be a coordinated effort between conservation partners and the state. The board discussed the need for outreach to legislatures and outside partners for support prior to the next grant round. Keith went over the Trust's possible OHF proposals for Round 17 in September.

Keith talked about the two upcoming OHF advisory board conservation-at-large seats that expire at the end of June. The Trust, along with many conservation partners, are working together to coordinate nominations for new board seat applicants. There is a need to have board members on the OHF advisory board that could better represent the conservation community.

Keith informed the board about a call that the Trust, Jerry and Duane had with Prairie Public Television. It involved talking about creating a potential educational video that would address the benefits of grasslands. Duane also suggested we show the innovative management practices done in North Dakota,

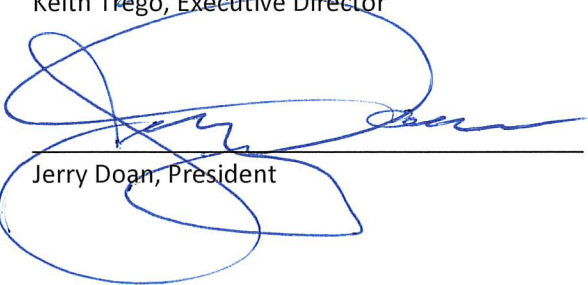
that not only enhance the economic return to the producer, but also benefit wildlife. The board discussed the potential audience for this video and the need to understand the social dynamics that could help us reach our target audience. The board was in favor of making a video and decided to keep on pursuing the topic. The Trust staff will continue to work on the video concept, and it was decided to revisit the topic at the next board meeting.

There was no old business to address. The board talked about when to hold the fall board meeting. It was decided to potentially hold it towards the end of August. Due to COVID-19, the board will revisit deciding on a firm meeting date sometime in July.

Randy motioned "to adjourn the meeting at 12:30pm." Dave seconded, motion carried.

Submitted by 
Keith Trego, Executive Director

Dated 1/29/21

Approved by 
Jerry Doan, President

Dated 1-26-21