

NORTH DAKOTA NATURAL RESOURCES TRUST
Board of Directors Meeting
Doublewood Inn
Bismarck, North Dakota
December 13-14, 2007

The winter meeting of the North Dakota Natural Resources Trust (Trust) Board of Directors started at 8:00 a.m., Thursday, December 13, at the Doublewood Inn, Bismarck, North Dakota. Attending the meeting were Directors Dick Kroger, Bruce Adams, Duane Liffbrig, Scott Peterson, Jack Olin, and Genevieve Thompson. Terry Steinwand, ex-officio member, North Dakota Game and Fish Department, also attended. Keith Trego, Terry Allbee, Merle Bennett, Karen Kreil, and Linda Roeder, Trust employees, were present. Others attending the meeting were Merri Mooridian, Garrison Diversion Conservancy District; Scott Hettinger, Bureau of Reclamation; and Dan Devlin, SEI, Inc.

Thursday, December 13, 2007

Dick Kroger called the meeting to order at 8:00 a.m., and we took roll call. Dick called for a motion to approve the agenda. Jack Olin moved “**to approve the agenda**” and Bruce Adams seconded. A voice vote was taken and the motion carried 6-0. Dick then called for a motion “**to approve the minutes.**” Jack Olin moved and Duane Liffbrig seconded. A voice vote was taken and the motion carried 6-0.

Recommendations/Special Reports

Terry Allbee reported on the Maple River property in Dickey County. The Natural Resources Conservation Service (NRCS) made a Wetland Reserve Program (WRP) easement offer to the Trust. The offer was accepted, and a WRP easement was placed on the property. Payment was received in May 2007. The ND Game and Fish Department is coordinating the habitat restoration work throughout the summer. The deed transfer is pending but expected to be completed by December 31, 2007, or early 2008. There is no longer a budget column for Maple River in the 2008 budget.

Kenner Marsh tract in Ramsey County: This tract of land was not eligible for the Wetland Reserve Program. Currently looking for funding options to have an income source similar to WRP and offset other Trust expenses. Ultimately, we would like to transfer ownership to the ND Game and Fish Department.

Terry updated the Board on a program funding change in the 2008 budget. A NAWCA Program column has been added to more accurately capture efficient tracking of Karen’s time as it relates to reimbursable expense to the ND Game and Fish Department and other staff time when working on NAWCA projects. Terry proposed \$50,000 be placed in this category to be used as a cost-sharing incentive. On-the-ground dollars utilized in cooperation with the US Fish and Wildlife Service’s Private Lands Program would be 100 percent eligible for NAWCA match, which would double the dollars for on-the-ground wetland restoration and grass seeding.

The Beginning Farmer Program is five years old with seven or eight producer inquiries. Availability and price of land are a couple of issues that have limited new contracts. The producers are uncertain about locking up acres for long-term grassland when crop prices are high. Discussion followed and it was decided to re-evaluate the program at the December 2008 meeting.

Karen Kreil reported on renewable energy legislation and funding. The ND House passed HB1515 which is a biomass incentive and research program. It provides for about \$2 million in funds for a demonstration project. The funds will be transferred from the Beginning Farmer Revolving Loan Fund and the Biofuels Partnership in Assisting Community Expansion Fund. The Industrial Commission has the authority in transferring those funds. The Commerce Department is developing the guidelines for the program.

ND Senate Bill 2288 established a Renewable Energy Council. It also provides incentives for renewable fuels. There are 3 million dollars available in general funds. The Department of Commerce set up a competitive grant program with a maximum grant amount of \$500,000. The Renewable Energy Council reviews the grants and makes a determination if they should be approved before forwarding them to the Industrial Commission.

Great River Energy is building a coal-fired combined heat and power facility at Spiritwood. They approached the conservation community to assist in doing this project in an environmentally responsible manner.

The biomass plots study was reviewed. All five plot sites were seeded and established. The first harvest was done this past fall. Baseline data was taken from this harvest for comparison in following years. The baseline soil data were taken for the carbon storage issue. All preliminary work has been done.

Keith Trego gave the farm bill update. Conservation has a very strong following on the national level, as well as the state level. All the programs are still in the farm bill with equal or more funding. One thing added to CRP is a provision that would allow, under certain conditions, land damaged by flooding over a number of years would have the possibility of entering the CRP program with landowners getting some kind of payment for a period of time. Language is being worked out to change the use of the Yellowbook appraisal process back, or similar, to the original appraisal process.

Karen Kreil updated the Board on the Corps of Engineers (COE) Memorandum of Understanding (MOU) with Nebraska's Natural Resources Conservation Service (NRCS). NRCS would identify potential Missouri River restoration projects along the Nebraska/South Dakota border with the Missouri River. The COE is interested in doing a similar effort in North Dakota and Montana. The Trust has been visiting with the COE to enter into some type of agreement with them and NRCS to have the Trust provide staff that could identify potential

projects in North Dakota. The COE provides \$40,000 a year for support staff. The Trust already has several landowner contacts along the river, so it would work out well.

Karen reported on the Smith property project. The owner of the land is in a nursing home and would like the ND Game and Fish Department to have the right of first refusal to purchase this property. This piece of property is located adjacent to the Smith Grove WMA in Oliver County. The Trust is assisting the Guardian and Protective Services and the ND Game and Fish Department on different approaches to acquiring the property.

Merle Bennett reported on the confluence project. The oxbow sovereign lands issue hasn't been resolved. Another issue is a 14+-acre piece of government land that needs to be surveyed. The State Water Commission and the ND Game and Fish Department are sending a letter to the Bureau of Reclamation asking them to survey that land. Nothing further can be done until these issues are resolved.

All the work and pipelines are done on the Sullivan tract. The land should be transferred to the ND Game and Fish Department by the end of December.

Dan Devlin, SEI, reviewed the investment portfolios with the Board. This report is on file at the Trust office in Bismarck.

Terry Allbee gave the financial report and reviewed the draft 2008 budget. The general liability and property insurance has gone down significantly since we no longer own as much property. The excise tax will probably go up somewhat because we are charged a flat rate as a 503(c) private foundation.

Old Business

Genevieve Thompson is the new chair of the Performance Evaluation Committee.

New Business - Grants

Beth Demke, Gateway to Science, presented a grant request for \$15,000 (\$3,000 per year for 5 years) to co-sponsor the Environmental Festival for fifth grade students.

Amy Schimetz, Turtle Mountain Outdoor Learning Center, Lake Metigoshe State Park, gave a presentation for a one-time request of \$8,639.52 to purchase canoes, paddles, carriers, and flotation seat cushions used to provide hands-on, concept-oriented environmental education to school groups and community members of all ages.

Britt Jacobson, Foundation for Agricultural & Rural Management & Sustainability, presented a proposal for \$24,000 (\$8,000/year/3 years) to provide basic education in organic management principles, which includes natural resource conservation and monitoring.

Becky Leonard, city of St. John, presented a grant request for \$8,000 for four interpretive panels along Phase I of the Wakopa Trail for educational purposes.

Robert Gjellstad, South McHenry SCD, gave his presentation to the Board requesting \$9,000 to repair their no-till drill and replace tires on their tractor to continue their no-till program.

Paul Nyren, NDSU, Central Grasslands Research Extension Center, presented a proposal to the Board requesting \$115,688 over a three-year period to provide assistance to producers to set up and maintain rangeland monitoring sites on their ranches.

Friday, December 14, 2007

Review and Vote

Environmental Festival: Genevieve Thompson moved and Duane Liffbrig seconded **“to approve Keith’s recommendation for \$3,000 per year for 3 years.”** A roll call vote was taken: Bruce Adams - yes; Dick Kroger - yes; Duane Liffbrig - yes; Jack Olin - yes; Scott Peterson - yes; Genevieve Thompson - yes. Motion carried 6-0.

Canoe Fleet and Equipment for Lake Metigoshe State Park: Jack Olin moved and Genevieve Thompson seconded **“to approve as Keith recommended.”** A roll call vote was taken: Duane Liffbrig - yes; Jack Olin - yes; Scott Peterson - yes; Genevieve Thompson - yes; Bruce Adams - yes; and Dick Kroger - yes. Motion carried 6-0.

Organic Farming 101: Genevieve Thompson moved and Scott Peterson seconded **“to accept Keith’s recommendation for funding as proposed by the applicant.”** A roll call vote was taken: Scott Peterson - yes; Genevieve Thompson - yes; Bruce Adams - yes; Dick Kroger - yes; Duane Liffbrig - no; Jack Olin - yes. Motion carried 5-1.

Wakopa Trail Phase I Interpretive Panels: Scott Peterson moved and Bruce Adams seconded **“to fund as proposed with ND NRT input on panels.”** A roll call vote was taken: Genevieve Thompson - yes; Bruce Adams - yes; Dick Kroger - yes; Duane Liffbrig - yes; Jack Olin - yes; Scott Peterson - yes. Motion carried 6-0.

Winter Wheat/Wildlife Habitat: Jack Olin moved and Bruce Adams seconded **“to approve Keith’s recommendation.”** A roll call vote was taken: Bruce Adams - yes; Dick Kroger - yes; Duane Liffbrig - yes; Jack Olin - yes; Scott Peterson - yes; Genevieve Thompson - yes. Motion carried 6-0.

Enhancing Rangeland Ecosystems: Scott Peterson moved and Bruce Adams seconded **“to fund at \$10,000 for one year as Keith recommended.”** A roll call vote was taken: Duane

Liffrig - yes; Jack Olin - yes; Scott Peterson - yes; Genevieve Thompson - yes; Bruce Adams - yes; Dick Kroger - yes. Motion carried 6-0.

Dick called for a motion on the 2008 budget as presented by Terry. Scott Peterson moved and Duane Liffrig seconded **“to approve the budget as proposed.”** A roll call vote was taken: Genevieve Thompson - yes; Scott Peterson - yes; Jack Olin - yes; Duane Liffrig - yes; Dick Kroger - yes; Bruce Adams - yes. Motion carried 6-0.

The 2008 Board meeting dates were set as follows: May 1 and 2; July 16 and 17; and December 11 and 12.

Dick called for a motion to adjourn. Genevieve Thompson moved and Bruce Adams seconded **“to adjourn the meeting.”** A voice vote was called and the motion carried 5-0.

Stewards of the Land (Matt Olien, Prairie Public Television, producer) - a story about four North Dakota Drift Prairie farmers that participated in the demonstration conservation agriculture project was available for viewing at the end of the meeting.

Submitted by /s/ Keith Trego Dated 5/2/08
Keith Trego, Executive Director

Approved by /s/ Richard L. Kroger Dated May 2, 2008
Richard Kroger, President