

NORTH DAKOTA NATURAL RESOURCES TRUST
Board of Directors Meeting
AmericInn
Medora, ND
April 12, 2012

The North Dakota Natural Resources Trust (Trust) Board of Directors spring meeting started at 8:30 a.m., Wednesday, April 12, at the AmericInn, Medora, North Dakota. Attending the meeting were Directors Scott Peterson, Jack Olin, Tom France, and Genevieve Thompson. Duane Liffbrig, Gary Melby, and Terry Steinwand were absent. Trust employees Keith Trego, Terry Allbee, Karen Kreil, and Linda Roeder were present. Mark Norcini, SEI, Inc., also attended.

The Board and staff traveled from Medora to Williston on April 11 for the dedication of the Big Oxbow and Sullivan WMAs. Attending the ceremony were the participating landowners, Senator John Hoeven, and Lt. Governor Drew Wrigley. Several of the partners also attended. Greg Hennessy was the master of ceremonies for the event.

Thursday, April 12, 2012

Scott Peterson called the meeting to order at 8:30 a.m., and we took roll call. Scott called for a motion to accept the agenda. Jack Olin moved and Tom France seconded the motion **“to approve the agenda.”** Motion carried. Scott then asked for a motion to approve the minutes. Scott Peterson moved and Jack Olin seconded the motion **“to approve the minutes of the January 2012 meeting.”** Motion carried.

Recommendations/Special Reports

Mark Norcini, SEI, presented the Trust’s investment performance report. Discussion followed the presentation.

Rhonda Mahlum, Mahlum and Goodhart, PC, joined the Board meeting via conference call and presented the audit report for 2011. The audit found no discrepancies. Discussion turned to the contract with Mahlum and Goodhart ending next year. Staff asked the Board if they wanted to send out RFPs or discuss another three-year contract with Mahlum and Goodhart. Discussion turned to the Finance Committee making a recommendation at the July meeting. The other option is to talk with Mahlum and Goodhart about extending the current contract and/or entering into another long-term contract. Genevieve Thompson moved **“to give staff latitude to pursue a proposal with Mahlum and Goodhart, PC, for a 3- and/or 5-year extension of our current contract and to incorporate quality assurance for Board final approval in July.”** Tom France seconded. Motion carried.

Terry Allbee gave the first quarter update for 2012.

Keith Trego reported on the farm bill. Keith attended Senator Conrad's Roundtable meeting. Most talk centers on commodities and crop insurance, not conservation. Discussion followed.

Terry Allbee gave a PowerPoint presentation on the Basin Electric Power Cooperative's PrairieWinds ND1 project. Basin Electric committed to providing funds as a voluntary conservation measure for the purpose of purchasing, protecting, maintaining, and/or restoring suitable migratory stopover, roosting, and foraging habitat for the endangered whooping crane. Four projects of long-term protection were completed. The first project in Kidder County completed in April 2010. The second project in Wells County completed in December 2010. Projects three and four completed in early 2012; one in Burleigh County and the other in Ward County.

Keith reported no contact from enXco or CPV. The Trust is waiting to hear from them.

Karen Kreil gave the perennial energy crop report. Karen attended a wrap-up session in Jamestown. Ten people were at the wrap-up session and they concluded it was not the time for perennial energy crops and biofuels to advance. There is money to keep the study going for a couple more years. Guoji Wang, who is taking the study over from Paul Nyren, said all the research extension centers have committed to keeping the project going to the end of the study period in 2016, to find the money once all the current monies are expended. The Great River Energy Spiritwood combined heat power plant project is on hold. The bio-refinery aspect is moving forward but they are currently gathering financing and investing. The final report to the Industrial Commission is due the end of April. We will submit the final invoice for \$28,000.00 also.

Keith Trego discussed the granting feature of the Trust. Conversation needs to take place on the continuation of the Trust grant cycle. We have talked about entertaining proposals that fit into the strategic plan and make sure we give guidance to folks where we are looking to do something in a certain area. Keith suggested discussing grants at the July meeting. The staff can write up ideas for grants and the Board can focus on RFP ideas in the oil patch to discuss at the July meeting.

Linda Roeder went over the new web site and its features. MABU, Bismarck, developed the site. Trust staff manages the content.

Each spring the Board holds election of officers. Tom France moved and Jack Olin seconded **"to re-nominate slate of current officers."** Motion passed.

Genevieve Thompson reviewed the executive director evaluation process and asked the Board to look over the six accountability factors and vote. Scott Peterson moved **"to approve the six executive director accountability factors."** Tom France seconded and the motion passed.

Keith briefed the Board on Duane Liffbrig and the idea to recognize him during a quiet luncheon.

Genevieve Thompson moved **“to approve the audit report.”** Tom France seconded and motion passed.

Scott called for a motion **“to adjourn the meeting.”** Genevieve Thompson moved and Jack Olin seconded. Motion carried.

Submitted by /s/ Keith Trego
Keith Trego, Executive Director

Dated 7/25/12

Approved by /s/ Scott A. Peterson
Scott Peterson, President

Dated 25 July 12