

**North Dakota Natural Resources Trust
Board of Directors Meeting
January 20th, 2021 at 9:00am
Zoom Video Conference Call**

Attendees: Board members Jerry Doan, Randy Renner, Duane Hauck, Dave Dittloff and Marshall Johnson were present; Vawnita Best was absent. 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, and Eric Rosenquist; Rick Warhurst was absent. Others in attendance include John Hagan and Erin Huber of SEI Investment Company and Andrea Gue of the Bureau of Reclamation.

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 moved and Dave seconded. Motion carried.** Jerry asked for any additions or corrections to the September 2020 Meeting Minutes. Jerry called for a motion **“to approve the minutes as mailed.” Randy motioned and Marshall seconded. Motion carried.**

John Hagan presented SEI’s performance review of the Trust’s portfolio for 2020. The market experienced a solid return during the end of 2020, with the “Big 5” large cap stocks setting record returns. John reported that the Trust’s accounts have rebounded since the beginning of the year and are slightly ahead of expectations. Erin Huber gave an overview of the Trust’s portfolios. The consolidated portfolio ended the year with a 11.2% return. The new retained earnings account, created in April 2020, delivered a return of 15.3%. John and Erin recommend no changes to the Trust’s investments at this time.

Terry presented the 2020 actual to budget report. The Finance Committee had meet and reviewed the financial information on January 11th. The Trust’s 2020 financial highlights included the creation of a new investment account called Retained Earnings Account with SEI Investments, hiring of additional staff person (Eric Rosenquist) and increased delivery of conservation habitat programs especially associated with Outdoor Heritage Fund grants. Despite all the adjustments in normal working patterns related to the COVID 19 virus, the Trust was able to provided \$2.8 million dollars in on-the-ground projects in 2020, which is the highest total ever for the Trust. Andrea Gue was then introduced as the Trust’s contact at the Bureau of Reclamation. She will provide the 2021 BOR contribution to the Trust this spring.

Terry also presented the 2021 proposed budget. Like 2020, 2021 budget will have both a higher projected income and expenditure than previous years. This is driven by higher than anticipated SEI investment income, increased grant activities and additional voluntary energy offset dollars. Overall the Trust will be active in conservation habitat grants and energy off-set delivery and creating new grant funding opportunities in 2021. It was discussed by the board if additional investment risk on the cash holding would be helpful to increase income. The finance committee will review the situation and provide strategies.

Brenda reviewed the Trust's Small Grant Program. Due to covid, it was extremely difficult for 2020 grantees to complete proposed activities and programs as planned. As a result, the Trust has a significantly higher amount of outstanding grant dollars. Brenda proposed that \$49,500 to be approved for the Small Grant Program, \$9,500 of which was already approved in 2020 as part of a 2 year grant. This would leave \$40,000 available for the 2021 grant round. The deadline for the 2021 grant submission requests is set to be April 15th. Grant proposals will be approved at the spring board meeting. The board was in favor and the amount will be approved with the budget.

Jesse gave an energy update. He presented a table showing all the voluntary offset dollars the Trust has received thus far. Most of the money is tied to Dakota Skipper habitat. Jesse gave a quick overview of the status of the skipper reintroduction from last summer and where we are at working with other agencies on it. Jesse and Eric both presented about the Trust's habitat decision model that Eric and Brenda created this winter. The model will help the Trust better target areas of where to spend the voluntary offset dollars given to the Trust.

Eric gave a carbon update with a power point presentation. He reviewed past carbon markets, present struggles related to carbon marketing, and future possibilities in the state and surrounding areas. Eric noted that the best way for the Trust to get involved in carbon programs would be to invest in natural solutions. The board discussed different types of carbon programs and the need to make sure landowners get a fair deal out of them.

Next, Jerry gave an update on the ND Grazing Lands Coalition. The Coalition just had their annual winter meeting with over 100 people in attendance. The NDGLC is working on finding ways for North Dakota landowners to be part of upcoming carbon market initiatives and research needs regarding carbon. They will also be hosting virtual video series on holistic management practices at the end of January.

The board next addressed new business. The election of officers was first. Jerry noted that he will not be running for another term as president, due to other commitments. Jerry made a call for nominations to the board. Dave nominated Marshall for president. Duane seconded the nomination. Jerry asked for any further nominations. **Duane moved "to cast a unanimous ballot of Marshall Johnson for president."** **Dave seconded. Jerry called for a vote. All were in favor. Motion carried.** Next Jerry called for nominations for vice-president. Marshall nominated Dave for vice-president. Jerry called for any further nominations. **Duane moved "to cast a unanimous ballot of Dave Dittloff for vice-president."** **Marshall seconded. Jerry called for a vote. All were in favor. Motion carried.** Jerry called for nominations for secretary/treasurer. Marshall nominated Randy for secretary/treasurer. Jerry called for any further nominations. **Dave moved "to cast a unanimous ballot of Randy Renner for secretary/treasurer."** **Marshall seconded. Jerry called for a vote. All were in favor. Motion carried.** The new board of director officers are as stated, Marshall Johnson as president, Dave Dittloff as vice-president and Randy Renner as secretary/treasurer.

The meeting was turned over to Marshall as chair. Marshall called for a motion to approve the proposed budget. **Randy moved "to approve the 2021 proposed budget."** **Dave seconded. Marshall called for discussion. When none was offered, Marshall called for a vote. All were in favor. Motion carried.** Next, Marshall addressed the future direction of the Trust. He said with the strong continuity of the board and all the new opportunities for leverage in the state, it would be a good time for the board to think about strategic direction discussions.

Terry reviewed the November Outdoor Heritage Fund Round 17 applications and approvals. There were 11 proposals submitted, totaling approximately \$12.5 Million in grant requests. The OHF advisory board approved 8 grants, consisting of \$11.6 Million. This is the highest amount in approved grants for one

round in OHF history. The Trust submitted 2 grants in round 17. Both were approved for their full amounts. Terry submitted North Dakota Partners for Wildlife Project, requesting \$716,500. Jesse submitted Bakken Development and Working Lands Program II, requesting \$3,308,100. Terry noted that there is now approximately \$8.4 Million left in OH funding for the Biennium. Keith also made the board aware of a House Bill 12-15 that would divert 10% of the OHF to a loan fund for the state parks.

Marshall gave an update to the board about Audubon Dakota's successful OHF grant from round 17, North Dakota Conservation Forage Program (CFP). The grant was approved for its full request of \$6.9 Million. CFP will help return marginal cropland to native pasture land. Offering 10 year agreements, incentive payments for 3 years and cost-share on grazing infrastructure.


Terry addressed old business and gave the board and update of the Clairmont Park Project. In December, Ducks Unlimited closed on the park property and now holds ownership. The park will eventually transition to the Bismarck park board. In the meantime, DU will start improvements and management activities on the property. Terry showed the board a map of the proposed improvements and a sample park sign. The Trust plans to help in decision making opportunities for those proposed improvements.

Marshall finished new business by appointing board members to the finance and eval committees. The president sits as a member on each committee. As secretary/treasurer, Randy is chair of the finance committee. Marshall appointed Vawnita to continue sitting on the finance committee. For the Eval committee, the vice-president sits as chair of the committee. Duane offered to be on the committee again this year. Marshall asked for a motion to approve the Finance Committee officers as Randy, Marshall and Vawnita, and the Executive Director Evaluation Committee members as Dave, Marshall and Duane. **Randy moved "to approve the committees as stated." Dave seconded. All were in favor. Motion carried.**

The board discussed meeting dates for the spring board meeting. The second or third 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. **Duane moved "to adjourn the meeting at 12:41pm." Dave seconded, motion carried.**

Submitted by 
Keith Trego, Executive Director

Dated 5/27/21

Approved by 
Marshall Johnson, President

Dated 5-27-21