

**North Dakota Natural Resources Trust**  
**Board of Directors Meeting**  
**September 4<sup>th</sup>, 2024**  
**Teams Video Conference Call/NDNRT Conference Room – Bismarck, ND**

Attendees: Board members Randy Renner, Duane Hauck, Gene Veeder, Jerry Doan, Dave Dittloff and Kristal Stoner were present. 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, Heather Husband, Rick Warhurst and Brenda Newton. Others in attendance include John Hagan of SEI Investment Company and Andrea Gue of the Bureau of Reclamation.

**9:00am**

Randy called the meeting to order. Roll call was taken. Randy asked for any announcements. Hearing none, Randy called for changes to the agenda. **Gene motioned “to approve the agenda.” Duane seconded. All were in favor, motion carried.** Next, Keith reviewed the action items list from previous meetings. He noted which action items were completed or those that were still in progress. There was no further discussion. Randy asked for any additions or corrections to the May board meeting minutes. Hearing none, Randy called for a motion. **Kristal motioned “to approve the meeting minutes.” Dave seconded. All were in favor, motion carried.**

**Goal E: Trust Administration & Efficiencies**

John Hagan, of SEI Investments, presented the Trust’s investment portfolio performance review for the first half of the year and the overall market performance. The Trust’s Consolidated Portfolio was up 11.4% over 1 year. The Trust has a well-diversified portfolio which helps reduce risk during down markets. The Trust’s asset allocations are on track with the set goals. John does not suggest any changes at this time but mentioned looking at our fixed income funds and possibly making some changes in the future.

Terry next gave a financial report for the first seven months of 2024. Currently the Trust hasn’t had to use any of last year’s investment income. As of August, the Trust has reached about half of total budgeted expenditures. So far, expenses have been covered through grant reimbursement income. Most of the Trust’s budget categories are trending up in expenses, compared to last year. It is predicted that cash flow issues may arise in November. The Trust has signed another two-year agreement with Starion Bank for a line of credit. If grant reimbursement income is not received in a timely manner and cash flow issues arise, the line of credit could be utilized. Keith mentioned there are additional options that could be used to free up cash. The Trust could pull earnings from this year or use funds from the retained earnings account. The Finance Committee will be notified to determine next steps if such actions are needed. Terry also noted that capital gain numbers for next year’s income will be realized by mid-December.

**Goal C: Financial Support of Natural Resource Education**

Brenda updated the board on progress of the Clairmont Family Park project. The Trust helped fund the purchase of the park in 2021 and awarded Ducks Unlimited a small grant in 2022 for education signage. Ducks Unlimited is close to finalizing sign designs. Brenda shared pictures of several example signs on wetland and prairie education. Ducks Unlimited also plans to have a sign promoting the importance of

managed grasslands. Brenda informed the board of the upcoming park dedication event on September 12<sup>th</sup> and that all board members are invited to attend.

#### **Goal A: New & Existing Programs**

Terry presented the Outdoor Heritage Fund (OHF) grant proposal he submitted for Round 25. He submitted a proposal for Working Grasslands Partnership 7 (WGP 7). This phase of WGP will focus on CRP acres that are expiring in 2024, 2025 and 2026. Most of these expiring CRP acres are located in eastern ND. Past WGP projects have been heavily focused in the coteau. WGP 7 will increase the habitat lease amount from \$5 to \$7/acre and water cost-share will increase from 60% to 75%. These changes reflect the rising cost of land rentals and water infrastructure. The proposal is asking for \$762,500 from OHF with a total project cost of \$1,267,500.

Eric updated the board on the OHF grant proposals submitted in May. The round funded \$4 million in proposals, of the \$8 million requested. The Trust's Badlands Restoration Project proposal for juniper removal was fully funded. Projects are already underway on about 700 acres. The Trust and the ND Wildlife Federation had a field tour in June to promote previous juniper removal projects. The field day had a good turnout. Jesse updated on his grant proposal Bakken Development and Working Lands Program III. He reduced his request by half at the advisory board meeting due to concerns about limited OHF funds. OHF awarded the project \$1,625,000, for a total project cost of \$5,462,400. The project focuses on reclamation work on Beaver Lake WPA and grazing infrastructure, emphasizing PLOTS enrollment.

Next, Eric reviewed the progress made on the Trust's State Wildlife Grant for mid-term easements. The program is on schedule. Eric has been in contact with several landowners interested in enrolling their land. Currently there are more landowners interested than available funding. The next step is to gain the governor's approval to enter into easements. Once approved, the Trust will do a title opinion on the selected land parcels. After agreements are executed, they will be transferred to the ND Game and Fish Department.

Terry updated the board on WRE stewardship activities that were approved in May. An agreement with NRCS was signed yesterday for \$52,000. The Trust will receive 10% for the administration of handling and distributing the funds. The Trust committed \$1,000 of in-kind match towards the agreement. The first projects in the agreement will be focused on WRE tracts that are in PLOTS. Eventually, NRCS would like to extend activities to all WRE tracts.

#### **Goal B: Convene Stakeholders to Address Grassland Loss**

Jesse discussed progress on the Oil and Gas Research Grant carbon study. There have been discussions on applying for a second grant. The Oil and Gas Research Council (OGRC) and Hess Corporation would like to have a university involved in a second phase. The Trust has initiated meetings with NDSU and they are willing to be a collaborator. NDSU would like to add a second study site near Manning, ND. They want to extend the focus of the study to soils as the current study mostly focuses on atmospheric carbon. It is proposed that NDSU would provide the second site and focus on soils at both sites and Ecological Insights would run the atmospheric flux systems at each site. The second phase of the study would also incorporate studying methane. The board discussed the importance of verifying how much carbon is being sequestered, since carbon credits are becoming more prevalent. The board was supportive of including NDSU in a second phase. The next OGRC grant round is November 1<sup>st</sup>.

Keith gave the board an update on the Farm Bill. Currently, there has been no movement in congress on completing the Farm Bill. It is assumed they will renew the current Farm Bill for another six months.

#### **Goal D: Existing and New Partnerships**

Jesse reviewed the Trust's involvement in the ND Grazing Lands Coalition's NFWF grant. A portion of their grant funds were set to expire at the end of September. Jesse and Leslie, an administrator for the Coalition, met with NFWF. NFWF approved the Trust, as a subcontractor, to hold the expiring funds. The Trust will disburse the funds to the Coalition as they are spent out.

Rick gave an update on NAWCA. The North American Waterfowl Plan is being updated this year. It is scheduled for public release in October. The USFWS also released its recent National Wetland Inventory Status and Trends Report. It showed that net wetland loss has increased substantially. Wetland losses are smaller than in the mid-1900s, but the cumulative effects make the remaining wetlands more critical. NAWCA has \$116.3 million available for FY25. The Council approved \$44 million in proposals in Round 1. For Round 2, there is \$16.3 million available, but \$64 million in proposals. Three projects are in the PPJV and 8 are in the central flyway. Grant administration compliance issues are still ongoing within NAWCA.

Heather presented an update on the Meadowlark Initiative. She has attended 11 events, reaching almost 2,000 people so far this year. Heather plans to be at the State Fair in July over the weekends. She is also participating in the Grand Forks Prairie Partners group, that is starting to reengage. The last RCPP batching period yielded 12 mixed grass contracts. This completes the financial assistance funding for the current RCPP. The renewal RCPP has been signed and executed. The Trust is working on creating a supplemental agreement for the renewal. Heather plans to focus on creating better relationships with NRCS offices, to aid in more grass plantings in future batching periods. She knows the need is out there as partners surpass NRCS with native grass planting acres each year. Heather also mentioned that the partner portal for the Initiative has been put on hold but plans for a standalone website are still in the works. Running the website through the Trust looks to be an easier option.

Keith noted that he has had discussions with the North Dakota Soybean Growers and Corn Growers Associations. He would like to have more discussions to see how we can align some goals and get more conservation activities in the eastern part of the state, where many of our programs currently don't fit.

#### **Old Business**

Keith reviewed the three cybersecurity policies the staff have been working on with McCarthy Consulting and Blue Moon Technologies. He addressed the chain of command section in the Business Continuity Plan. The policy states that the executive director would use his discretion when notifying the board president of an incident, depending on the length and severity of the incident. The board was comfortable with the wording and recommended no changes. Brenda and Keith discussed how our current computer system is protected by 2-factor authentication and how new cybersecurity trainings will be implemented. The board discussed and was in agreement on implementing these types of protections. Brenda reviewed the Information Security Policy and what it covers. Keith reviewed the Acceptable Use Policy which addresses the responsibility Trust employees have when using Trust computer equipment. He specifically addressed that Trust employees are allowed to use their work cell phone for personal uses, but this also requires staff to be responsible in how they use their devices. The board was comfortable with all three policies and recommended accepting them. Randy called for a motion from the board. **"Gene motioned to approve all three policies." Dave seconded. All were in favor, motion carried.**

Keith next presented the board with proposed new annual report and staff evaluation dates. Currently the Trust does its annual report from July to June and staff evaluations are done by end of July, with new pay rates taking effect in the July payroll. Keith proposed moving the annual report to follow the

calendar year and evaluations occurring in the first quarter of the year, with new pay rates taking effect in April payroll. Jerry noted he liked the idea and **“moved to accept the proposal of moving the annual report and evaluation dates to the proposed.” Dave seconded.** Randy discussed Keith’s evaluation process this year and how there were some difficulties. He proposed a form to be set up on the member area of the website that board members could fill out, instead of trying to ferry several documents with signatures through email. The board was in favor of a centralized location for the executive director evaluation. It was asked if an evaluation committee is still needed then. It was suggested that all board members could fill out the evaluation form online and the evaluation committee would conduct the face-to-face portion of the evaluation process. The consensus was to investigate the electronic evaluation form and revisit the topic at the January meeting. After discussion, Randy called for a vote. **All were in favor, motion carried.**

Keith gave an update on the Garrison legislation. He had a phone call with Eric Gustafson, from Senator Hoeven’s office, two weeks ago. Eric relayed they have secured democratic Senator Padilla from California as a cosponsor for the bill, along with Senator Cramer. A hearing is planned for the 11<sup>th</sup>. Keith noted it still looks to be a stand-alone bill, but not certain. Keith has also been in contact with John Reiten from the governor’s office. John stated that Hoeven has the lead now. Andrea Gue and Kristal agreed they heard the same information about the cosponsor and a stand-alone bill. Dave will follow up with his DC representatives and will work on drafting a letter of support for the bill.

**New Business**

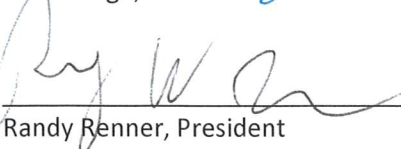
Keith presented the memo sent out to the board regarding board vacancies, requesting potential names. He received one. Staff also put together a list of potential names. Keith conveyed discussions he had with four of the individuals that expressed interest in joining the board. Brenda sent them application information on how to apply. John Reiten also reached out to Keith with a potential name. The board discussed each potential board member and how they could add value to the board. Keith will reach out to the individual John mentioned and talk to him about the vacancy. Brenda reviewed term limits. All the non-gubernatorial appointee terms have been renewed. Jerry and Gene have not yet received their board renewal packets from the governor’s office. Brenda will reach out to Dustin in the governor’s office on the status.

Randy addressed filling Duane’s position as secretary/treasurer and Finance Committee chair. Randy volunteered to be a substitute on the Finance Committee until officer elections in January. Kristal, who is already on the Finance Committee, agreed to be the temporary secretary/treasurer, which is also the chair of the Finance Committee.

Dates for the January board and finance committee meetings were addressed. The Finance Committee will meet on January 14<sup>th</sup> from 9:00am-12:00pm with an in-person/Teams meeting. The next board meeting will be in-person at the Trust office on January 23<sup>rd</sup>, with a dinner the previous night in Bismarck on January 22<sup>nd</sup>. **Dave motioned “to adjourn the meeting at 3:15 pm.” Duane seconded. All were in favor, motion carried.**

Submitted by   
Keith Trego, Executive Director

Dated 1/23/25

Approved by   
Randy Renner, President

Dated 1/23/25