

**North Dakota Natural Resources Trust  
Board of Directors  
September 9<sup>th</sup>, 2021  
Zoom Video Conference & NDNRT Conference Room – Bismarck, ND**

Attendees: Board members Randy Renner, Duane Hauck, Gene Veeder, Jerry Doan, Dave Dittloff and Marshall Johnson were present. Ex-officio representative Scott Peterson, Deputy Director of ND Game and Fish Department, was present for Director Jeb Williams. Trust staff present were Keith Trego, Terry Allbee, Jesse Beckers, Eric Rosenquist, Rick Warhurst and Brenda Newton. Presenters present were Paul Myerchin from Espeseth & Edison, LLP, Greg Link & Kevin Kading from ND Game & Fish Department, Juli Bosmoe from Audubon Dakota and John Haugan from SEI Institutional Group.

**8:30 AM**

Marshall called the meeting to order. Roll call was taken. The agenda and meeting minutes were approved at the Strategic Planning meeting the day prior.

Marshall introduced Gene Veeder, the newest Governor appointee board member. Gene gave a brief history of his working background. He ranches in McKenzie County and is currently serving as a State Water Commissioner.

As part of the Strategic Planning preparation, in reviewing the Bylaws, Keith and the Trust staff recognized the reference that Board meetings will adhere to open meetings requirements of the state. Keith asked attorney Paul Myerchin of Bormann, Myerchin, Espeseth & Edison LLP, who has previously provided legal advisement to the Trust, to present an open meetings review and background to the Board and staff. He gave the Board a brief introduction of his background. Paul began his presentation on open meetings guidelines by defining what constitutes a meeting. A meeting is any formal or informal gathering of two or more board members. He also clarified that three members of the Trust board represent a quorum. It was asked if phone calls between board members are considered a meeting. Paul confirmed it is when board opinions, decisions or actions are performed. Next Paul reviewed what is required to notice an open meeting and when a meeting is considered regular or special. Lastly Paul defined when the Board can conduct an executive session. Paul also reviewed the requirements for meeting minutes.

Next, Greg Link and Kevin Kading, from the ND Game and Fish Department, presented and update on their Meadowlark Initiative RCPP grant. Greg gave an overview of the project scope and length. The department was awarded \$7.1 Million to take marginal cropland and retore it back to grassland and provide grazing infrastructure. Prescribed fired treatments, bird and pollinator monitoring, grazing mentoring, carbon monitoring and landowner decision surveys are also part of the grant. Kevin presented a budget table for the project and talked about the details of the upcoming online portal for public inquiries and federal batching period for federal practices. Brenda also helped explain the Trust's role in the management of the project.

Marshall presented an update on the Audubon Dakota Conservation Forage Program (CFP). CFP is participating with the Meadowlark Initiative and will help convert marginal cropland back to grassland. The five program was approved by the ND Outdoor Heritage fund in December 2020 for \$6.9 Million.

During the first enrollment period, over 2700 acres were enrolled into the program. Audubon will hold their next enrollment period in November 2021.

Juli Bosmoe of Audubon Dakota presented on the ND Prescribed Fire Coop (NDPFC). This cooperative was established in 2019 to help educate landowners about prescribed fire, how fire treatments can benefit their grassland management, and how to execute safe burns. So far, the NDPFC has burned over 1,000 acres for grassland management, held several workshops and traveled to Nebraska to learn from fire coops there. The NDPFC already has 22 burns planned for spring 2022. Eric noted that the Trust has committed cash match funding and he provided staff time to help coordinate activities and work with the Cooperative group.

For the May 2021 Round 18 of the ND Outdoor Heritage Fund (OHF), there were 24 proposals submitted, totaling approximately \$7.2 Million in grant fund requests. The OHF advisory board approved 16 grants, consisting of \$5.8 Million. The Trust submitted 2 grants. Jesse submitted Grazing Resiliency in the Bakken (GRB). When Jesse asked partners if there is a need for more grazing and water cost-share programs, the response was that over 120 landowners are seeking such programs. GRB was approved for \$1.27 Million. Rick submitted Wildlife and Livestock Dams, which was approved for \$240,000. Rick already has several sites identified for projects. Unfortunately, staff funding was removed from both approved grants.

Terry reviewed the Trust's OHF Round 19 application. He submitted a proposal for Working Grasslands Partnership 5. Terry submitted the proposal on September 1<sup>st</sup>, with an ask for \$985,000 in OHF funds to continue providing grazing infrastructure to landowners on expired CRP grasslands. Since the inception of the Working Grasslands Partnership program, there have been 155 landowner agreements equaling over 56,000 acres of grassland management.

Keith updated the Board of a new conservation-at-large representative on the OHF Advisory Board. Patsy Crooke filled the seat that Kent Reiersen held. Kent's term limit expired June 30<sup>th</sup>. Patsy is a retired biologist and has recently served as the president of the NDCWTS. Marshall also notified the Board that Brian Amundson was appointed for the ND Stockman's Association seat.

Jesse gave an update on the Trust's energy activity. Jesse has been in touch with the ND Petroleum Counsel and has been hearing more concerns from energy companies on how they can improve their Environmental Social Governance scores as well as discussion around reducing carbon impacts. The Trust has been working on developing a project that can help determine how much carbon is being captured by working grasslands. Dr. Rebecca Phillips from Ecological Insights has been involved in developing this project. The Trust plans to submit an application for an Oil and Gas Research Grant on November 1<sup>st</sup>. The project will study rotational grazing systems on 2 sites in Northwest ND. Jesse also noted that he will be speaking on a panel at the Annual ND Petroleum Council Meeting.

Keith informed the Board on the progress of the Area IV Farm. LeAnn Harner and Rocky Bateman are continuing to peruse the acquisition of the research property. They have received an extension on their purchase time until the end of the 2021 year. At the Spring 2021 Board meeting, the Board approved to provide \$100,000 in support toward the purchase of the land, contingent on closing and on them having a solid path forward in terms that it is maintained as a research entity.

The Board adjourned for lunch at 12:48 PM and reconvened at 1:20 PM.

Rick started off the afternoon session by giving the Board an update on NAWCA. He notified the Board that he is no longer a NACWA staff member since Terry Steinwand, the Central Flyway council member, retired at the end of July. Rick reviewed the cycle 1 proposal for FY 2022. He noted that Jeb Williams was nominated at the Central Flyway meeting, to replace Terry as council member. The seat will have to be approved and appointed before a staff member can be chosen.

John Hagan presented SEI's performance review of the Trust's portfolio for 2021 to date. All the Trust's accounts are doing well and ahead of their return benchmarks. The Consolidated portfolio is currently worth \$36.3 Million and up 8.7% YTD. The Federal account is up 4.4% and the Retained Earnings account is up 6.4%. John noted that SEI is cautiously optimistic for the end of 2021 going into 2022. Fixed income rates are historically low, but now is the time to invest in equities. The markets have been experiencing inflation, but it is expected to pass over time. John recommended no changes to the Trust's investments at this time.

Terry next reviewed the Trust's financial report. He reminded the Board that each month's financial reports and payables are posted in the Board portal on the Trust's website. He also asked the Board to consider having several Finance Committee meeting each year to review the Trust's financials. Terry presented the 2021 budget actuals to budget through July. Terry reviewed each category which are small grants, general administration, Devil's Lake, land conservation, conservation partnership coops, NAWCA program, grass-wetland programs, Missouri River riparian, and energy. It was asked if the BoR agreement renewal has been finalized. Terry noted that the BoR agreement is scheduled to be completed by September 30<sup>th</sup>. Keith mentioned he recently met the new BoR area manager, Joe Hall. He also reminded the Board to review the current BoR agreement with the Trust and note any potential changes they think should be made. Currently, the Trust has received about half (\$13.5 Million) of the total federal allocation (\$25 Million) from the Dakota Resources Water Act.

The Trust moved onto Old Business. Randy reviewed the current Finance Committee members. Currently, Randy and Marshall serve on the committee and there is one vacancy. Randy asked Gene if he would be willing to serve on the Finance Committee. He said he is willing to. Randy explained to Gene the duties of the Finance Committee. He noted the committee usually meets once a year before the January Board meeting. Randy feels the Committee does not need to meet more than once per year, since most of the information is conveyed at each Board meeting. Keith suggested that the Committee meet more often to get more in-depth performance reports from SEI, prior to each Board meeting. This way John can give a more concise presentation at the Board meetings. Randy was in favor of keeping the meeting to once a year but adding additional meetings when financial concerns arise. The rest of the Board agreed on this decision. The BoR agreement was also discussed. It was decided that staff send out the renewal agreement to the Board when it's ready. If the staff has concerns with anything in the agreement, flag it when sending it out to the board for review.


Next, Brenda gave a virtual tour of the office remodel to the Board. The Board asked about the extra three offices and who they would subleased to. Keith noted that we've talked with other conservation partners in the area, who are currently working from home, and asked if they are interested in subleasing. So far, the Trust is subleasing one office to the ND Wildlife Federation.

The Board next addressed New Business. Dave asked for discussion on the open meetings topic. It was reviewed that committees need to have meeting notices and take minutes. It was asked if meeting information is given to Brenda, if she would take care of noticing. Brenda said she would post any

meeting notices for the Board. She will also post a meetings guideline on the Board Portal of steps for the Board to take to hold a meeting. Keith noted that Paul is going to look into the Trust's state funds and where they fall in relation to open meetings. Dave reviewed that the Board should not reply all on emails, someone from each committee should take meeting notes and that Brenda be informed of meetings to post notices on the website.

Next dates were discussed for the next Strategic Planning, Finance Committee and January Board meetings. It was decided that the next Strategic Planning meetings would be held October 15<sup>th</sup> and January 12<sup>th</sup>, Finance Committee meeting on January 10<sup>th</sup>, and January Board meeting on January 13<sup>th</sup>.

Dave called for a motion to end the meeting. **Duane moved "to adjourn the meeting at 3:18 PM."**  
**Randy seconded, motion carried.**

Submitted by  \_\_\_\_\_ Dated 1/25/22  
Keith Trego, Executive Director

Approved by  \_\_\_\_\_ Dated 1/24/22  
Marshall Johnson, President