

NORTH DAKOTA NATURAL RESOURCES TRUST
Board of Directors Meeting
April 16 & 17, 2003
Ramkota Hotel
Bismarck, North Dakota

The spring meeting of the North Dakota Natural Resources Trust started at 8:00 a.m. Wednesday, April 16, 2003, at the Ramkota Hotel in Bismarck. Directors Scott Peterson, Dick Kroger, Jack Olin, Bruce Adams, and Genevieve Thompson were present. Ex-officio member Dean Hildebrand attended a portion of the meeting. Duane Liffrig was in Texas but participated by conference call. Trust employees present at the meeting were Keith Trego, Linda Roeder, Terry Allbee, Merle Bennett, and Sharon Clancy. Also present were Julie Prescott, State Water Commission; Kip Kovar, Garrison Diversion Conservancy District; Scott Hettinger, Bureau of Reclamation; Mike McEnroe and Kevin Willis, US Fish & Wildlife Service; Tom Jewett, Natural Resource Conservation Service; Joe Satrom, Ducks Unlimited; Brian Kramer, ND Farm Bureau; Marcy Dickerson, ND Tax Department; Ken Sambor, ND Game and Fish Department, and Joe Cichy, Trust attorney.

Wednesday, April 16, 2003

Chairman Dick Kroger called the meeting to order at 8:00 a.m. and roll call was taken. A discussion followed roll call concerning Duane Liffrig's request to join certain portions of the board meeting via the phone. The chairman reminded the board of a motion made by Duane Liffrig and seconded by Dick Kroger in October 1998 that directors attend meetings in person and that they do not go to long distance conference calls for two hours or all day meetings unless there were extenuating circumstances. Genevieve Thompson moved and Bruce Adams seconded **"to allow Duane to be patched in by phone for whatever portions of the meeting he feels necessary."** A voice vote was called and the motion carried 5-0 (Duane Liffrig absent).

Agenda items were changed to accommodate Duane's conference call. Thursday's agenda was changed so the Board could attend the State Technical Committee meeting at the ND Game and Fish Department to hear discussion on haying of managed use of CRP. The chairman then called for a motion to approve the minutes. Jack Olin moved and Bruce Adams seconded **"to approve the minutes."** A voice vote was taken and the motion carried 5-0 (Duane Liffrig absent).

Duane Liffrig joined the meeting by phone at the time Mike McEnroe, US Fish and Wildlife Service, Audubon NWR, gave an update on the Audubon Interpretive Center proposal. Mike requested the Trust Board consider a letter of support for the concept of the idea of an interpretive center at the time the Conservancy District request for proposals is out.

Tom Jewett, Natural Resource Conservation Service, and Kevin Willis, US Fish and Wildlife Service, discussed wetland mitigation relating to health and human safety. The health and human safety issue encompasses a small number of incidents involving farmers with wetlands on their land causing flooding and sewage backup in neighboring farmers' basements. Tom and Kevin asked the Board to consider providing financial assistance to the handful of cases to mitigate the wetland by draining it and replacing it somewhere else. Discussion followed. Genevieve Thompson moved and Scott Peterson seconded **"to give staff the flexibility to continue working with our partners at NRCS and FWS to discuss specific situations where Swampbuster could be enhanced to solve landowner problems."** A roll

call vote was taken. Bruce Adams, yes; Dick Kroger, yes; Duane Liffbrig, no; Jack Olin, no; Scott Peterson, yes, and Genevieve Thompson, yes. Motion carried 4-2.

Keith Trego reviewed the Farm Bill programs. CRP (Conservation Reserve Program) – possible sign-up this spring. WRP (Wetland Reserve Program) – approximately 225,000 acres cap for this fiscal year. FRPP (Farm and Ranchland Protection Program) – RFP out with May 19 deadline. WHIP (Wildlife Habitat Incentives Program) – plan and proposed ranking worksheet done. GRP (Grassland Reserve Program) – this is a working lands program, not a set aside program; no money for this fiscal year; will include contracts similar to CRP; applies both to native sod and restored grasslands; national cap of two million acres. CSP (Conservation Security Program) – rule to be developed this summer; national program. FWP (Farmable Wetland Program) – original pilot program expanded to become available nationwide with cap of one million acres.

Marcy Dickerson, state supervisor of assessments, ND Tax Department, briefed the Board on property tax issues. The ND Farm Bureau booklet, “North Dakota Property Tax, Ag Productivity Formula,” was given to the Board. A discussion followed the briefing. A copy of Marcy’s presentation and the Farm Bureau booklet is on file at the Trust office.

Dan Devlin, SEI Investments, joined the meeting by conference call. Trust investments were reviewed at this time. This report is on file at the Trust office in Bismarck.

Scott Peterson gave the Executive Director Performance Evaluation Committee report. He explained the evaluation process to the new Board members. Scott also expressed the Committee’s thoughts and concerns that the Trust should set a position description and a pay plan in place for the executive director position. The Committee will be working on a compensation philosophy before the summer meeting.

Sharon Clancy updated the Board on the ground work for carbon sequestration, marketing of carbon. A two-phase research project in the Devils Lake Basin will take place. Phase one will include 200 wetlands, half farmed as usual and half within CRP, for evaluation of carbon credits. Fifty of the 100 farmed wetlands will be subdivided into two groups—25 restored wetlands and 25 farmed. Noxious gases and carbon will be monitored on these wetlands. Phase two will evaluate conventional, automated, and remote sensing techniques to monitor the carbon from year to year. A third objective is finding out what fossil fuels and input savings occur from the use of wind towers (another way of sequestering carbon). Another objective will be to quantify flood water mitigation, water quality benefits, and biodiversity in restored wetlands and buffers. A fifth objective will focus on marketing, policy, and legal issues. An outreach program will also be designed. The Northern Prairie Research Center will be home to the project.

Sharon also discussed the Conservation Ag program activities and this year’s budget. She expressed concern for the budget because of the uncertainty of grant awards. Programs on the demo farms have been trimmed back until funds become available.

Terry Allbee reported on the midterm easement program. Since December, a 50-year term easement on 3,315 acres of native prairie has been signed. This is the first easement the Trust has taken. A second easement offer was accepted for a 50-year term easement on 82.5 acres of grassland. The individual also selected a 10-year access program with the ND Game and Fish Department. A third easement is in process in McHenry County.

Linda Roeder reported on the web page process. Four responses to a request for proposal were received. The Board directed Linda to solicit requests through the county newspapers in hopes of reaching a broader audience and receiving more responses.

Merle Bennett reported the Walhalla project acquisition was completed. The paperwork should be finished by the end of April and restorations are planned for completion this fall. Upland native grass plantings are scheduled for the spring of 2004.

Cook Slough WRP reimbursement was paid to the Trust in December and January. All small wetlands have been inventoried/evaluated, silt removed, and ditch plugging is ready to start. Native grass will be seeded on 100 acres. Remaining crop acres will be planted in the spring of 2004-2005. Three wells have been sealed and covered, and the old buildings have been burned. Scott Peterson reported on plans to dedicate this property as the Robert L. Morgan WMA, in honor of Bob Morgan, ND Game & Fish Department Lands and Development Division leader. This dedication would coincide with the summer board meeting of the Trust.

Merle also reported on the Confluence project. The Ochs property is on hold again and the Neu property will probably be completed by the end of April. An additional landowner has offered his land (400 acres), but nothing has yet occurred.

Terry Allbee presented the results of the no-till drill survey to the Board. The survey was sent to all county Soil Conservation District (SCD) offices and all responded. Some highlights of the survey: Fifty-three percent of the SCD offices have access to no-till equipment. The SCDs funded 64 percent of all drills in the state. There are 1,391 producers that use no-till farming with a total of 1,766,500 acres in no-till. Eighty-five percent of those surveyed said there is an increase in no-till usage. Education was the prime answer when asked where the Trust would be most effective. Recommendations for future no-till grants were 1) do not fund additional no-till equipment, and 2) consider limited financial assistance for education and promotion on a case-by-case basis. Dick Kroger suggested one newsletter be dedicated to the no-till accomplishments and survey results.

Discussion followed on recommendations for future no-till grant proposals. Dick called for a motion to clarify the Board's position. Jack Olin moved and Genevieve Thompson seconded a motion **"to fund no additional equipment but use limited funds toward education on a case-by-case basis."** A voice vote was called. Motion carried 6-0.

Thursday, April 17, 2003

Dick Kroger called the meeting to order at 8:00 a.m. Duane Liffbrig joined the meeting by phone.

Keith Trego led the discussion on outreach and promotion of the Trust relating to goals set forth in the Strategic Plan, as well as the target audience of producers and students. For discussion purposes, Keith grouped Trust activities into the following categories for outreach purposes: general knowledge, projects/practices, and vision. He went on to explain activities within each group before discussion on outreach and promotion of the Trust started.

A new proposal received from the ND Water Education Foundation inviting the Trust to include two monthly pages in ten issues a year of the *North Dakota Water* magazine was also discussed. Bruce Adams moved and Genevieve Thompson seconded **"to investigate and negotiate two issues in the *North Dakota Water* magazine for one year and keep the**

newsletter.” A roll call vote was taken. Genevieve Thompson, yes; Scott Peterson, yes; Jack Olin, yes; Duane Liffbrig, yes; Dick Kroger, yes, and Bruce Adams, yes. Motion carried 6-0.

Scott Peterson moved and Jack Olin seconded **“to not approve Prairie Public’s proposal.”** A roll call vote was taken. Motion carried 6-0.

Bruce Adams moved and Genevieve Thompson seconded **“to not approve the wetland book.”** A roll call vote was taken. Motion carried 6-0.

Dick Kroger asked the Board if a motion was needed to keep contact with Dave and Nicola Peterson’s North Dakota video project. There hasn’t been a formal proposal from the Petersons, but they continue to stay in contact with the Trust. Keith asked the Board for clarification on their ideas so he is able to give guidance to the Petersons. Keith suggested the Petersons will have many partners and may ask the Trust for technical assistance, guidance on what to show, and advice. Keith was asked to encourage the Petersons because of the Board’s interest in the project.

Jack Olin moved and Scott Peterson seconded **“due to the interest shown in the water magazine, eliminate the special edition.”** A voice vote was taken. Motion carried 6-0.

Each year at this time the Board votes on the mileage/per diem rate. Terry Allbee proposed the idea of automatically following the federal per diem/mileage rates and eliminating the yearly vote. Staff would make the change each year and notify the Board. Terry clarified the federal rate meaning acceptable by IRS standards. Duane Liffbrig moved and Scott Peterson seconded **“to follow the federal rates for per diem and mileage.”** A voice vote was taken. The motion carried 6-0. Terry recommended the Board use their credit cards when doing Trust business.

Election of Board officers was the next item on the agenda. Confusion with the governor’s office on election of Board officers was clarified earlier. Duane Liffbrig moved and Genevieve Thompson seconded **“to nominate Dick Kroger for president, Bruce Adams for vice president, Scott Peterson for secretary/treasurer.”** Genevieve Thompson moved and Jack Olin seconded **“that nominations cease and the secretary be instructed to cast a unanimous ballot.”** A voice vote was taken. Motion carried 6-0.

Keith Trego provided information on the Richland County drain/stream restoration. Jay Mar, Lake Agassiz RCD, called about a channelized stream component in Richland County that is causing problems. Dave Rush, Red River Regional Council, wrote a letter to the Board requesting \$7,200 to help sponsor the restoration project. The Board directed Keith to respond to the request, but discourage any funding.

The July board meeting is being planned around the dedication of the Robert L. Morgan Wildlife Management Area (WMA) (Cook Slough). Scott Peterson suggested Carrington or Lonetree WMA for the meeting place. It was decided to hold the meeting on July 8 and the dedication on July 9.

FUTURE ITEMS:

- * Audubon Interpretive Center letter of support.
- * Mitigation banking system.
- * Future newsletter on no-till and the Trust’s success.
- * Negotiate for Trust articles in two issues of the *North Dakota Water* magazine.

- * Encourage Dave and Nicola Peterson on their video project.
- * Outreach focus and approach.

Keith Trego asked the Board if they wanted a half-day session with a facilitator to discuss the outreach focus and approach. The Board agreed this would be a good way to define the Trust's direction. Jack Olin suggested to do this during the winter, at a regular meeting or a special training session.

The staff was directed to check with the Farm Service Agencies in the state to incorporate a one-page summary of the no-till survey and success the Trust shared in that project to all their news recipients.

At 11:00 o'clock the Board meeting adjourned to attend the State Technical Committee meeting held at the ND Game and Fish Department to hear updates on the CRP haying management segment of that meeting.

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

Date 7/8/2003

Approved by /s/ Richard Kroger
Richard Kroger, Chairman of the Board

Date July 8, 2003