

**NORTH DAKOTA NATURAL RESOURCES TRUST**  
**Board of Directors Meeting**  
**ND Game and Fish Department**  
**Bismarck, North Dakota**  
**July 11, 2007**

The summer meeting of the North Dakota Natural Resources Trust (Trust) Board of Directors started at 8:00 a.m., Wednesday, July 11, at the ND Game and Fish Department, Bismarck, North Dakota. Attending the meeting were Directors Dick Kroger, Bruce Adams, Duane Liffbrig, Scott Peterson, and Jack Olin. Director Genevieve Thompson was absent. Roger Rostvet, North Dakota Game and Fish Department, attended for Terry Steinwand, ex-officio member. Keith Trego, Terry Allbee, Merle Bennett, Karen Kreil, and Linda Roeder, Trust employees, were present. Others attending the meeting were Merri Mooridian, Garrison Diversion Conservancy District; Laura Ackerman, State Water Commission; and Dan Devlin, SEI, Inc.

**Wednesday, July 11, 2007**

Dick Kroger called the meeting to order at 8:00 a.m., and we took roll call. Dick called for a motion **“to approve the agenda.”** Jack Olin moved and Scott Peterson seconded. A voice vote was taken and the motion carried 5-0. Scott Peterson moved and Bruce Adams seconded **“to approve the minutes as presented.”** Dick Kroger amended the minutes on page 3, first paragraph to cross out “was upheld by the” to read “is supported by previously upheld US Supreme Court cases.” Scott Peterson moved **“to approve the minutes as amended.”** Bruce Adams seconded. A voice vote was called and the motion carried 5-0.

**Recommendations/Special Reports**

Dan Devlin, SEI, reviewed the investment report through June. The report is on file at the Trust office. SEI recommended the Trust maintain 40 percent equity and 60 percent fixed income. Dan presented a recommendation for additional diversification within the fixed income and explained how it may be to the Trust’s advantage.

Terry Allbee reviewed the 2007 first half financial summary with the Board. This report is on file at the Trust office.

Kevin Willis presented a grant proposal for the Chase Lake Area Wetland Project VIII. Kevin requested a total of \$20,000 over a two-year period to be matched with NAWCA funds for restoration of 80 prairie pothole wetlands totaling approximately 200 acres.

Keith Trego updated the Board on the biomass meetings with Great River Energy and other partners (Pheasants Forever, University of Minnesota, The Nature Conservancy, Ducks Unlimited, and Starion Financial) that may lead to a partnership. Members of the group will continue meeting and looking into strategies for alternative energy. Discussion followed.

Keith reported a lot of interest in conservation programs within the farm bill. Representative Pomeroy and Senator Dorgan continue to hold public meetings to discuss public concerns, etc.

Keith also reported on the Sickler in-holding. Nothing really has happened since meeting with Wally Owen, realtor, and Jack Olin. The Eberts project land has been purchased and on July 18 a press conference will be held at Tesoro to acknowledge the major acquisition funding contributors. In August or September there may be a dedication at the Elkhorn Ranch with the President attending.

Scott Peterson gave a report on the executive director's performance evaluation. The overall ranking for the evaluation was 3.8 for 2007. This report is on file with the committee chairman. Scott Peterson moved **"to approve the performance evaluation committee report as presented."** Duane Liffrog seconded. A voice vote was called and the motion carried 5-0. Scott requested approval by the board to change one of the accountability factors used in the executive director's performance evaluation. Accountability factor #5 reads, "assist the board with leadership and development issues." The committee would like to amend #5 to read after the word, leadership--"and information needs, and development issues." Jack Olin moved **"to inset the words--and information needs--to accountability factor 5."** Bruce Adams seconded. A voice vote was called and the motion carried 5-0.

Merle Bennett reported on the oxbow acquisition project. All the landowners are in agreement to selling their land. The game and fish department and Merle met with the landowners, and a PLOTS contract was offered to each of them. The sovereign lands issue has not yet been resolved.

The Sullivan property transfer was delayed because of an erroneous filing on part of the property by a neighbor. The error was corrected, but had to process through the abstract update and recording process again before NRCS could move forward with clear title for the WRP contract. The gas and saltwater pipelines, for which we issued easements, were completed except for the portion of the gas pipeline that was being bored under the Yellowstone River.

Karen Kreil reported on NRCS's Conservation Innovation Grant program. The Trust submitted an application in February for a biomass-related project, but was unsuccessful.

Scott Peterson moved **"to fund the Chase Lake NAWCA grant proposal at the \$20,000 requested total."** Bruce Adams seconded. A roll call vote was taken. Bruce Adams - yes, Dick Kroger - yes, Duane Liffrog - yes, Jack Olin - yes, and Scott Peterson - yes. The motion carried 5-0.

The Board considered SEI's suggestion for fixed income diversification. Jack Olin moved and Scott Peterson seconded **"to approve to increase diversification through the end**

**of the year.”** A roll call vote was taken—Dick Kroger - yes, Duane Liffbrig - no, Jack Olin - yes, Scott Peterson - yes, and Bruce Adams - yes. Motion carried 4-1.

Chairman Kroger called for a motion to adjourn. Scott Peterson moved and Bruce Adams seconded **“to adjourn.”** A voice vote was called and the motion carried 5-0.

The Board left for Streeter to join Paul Nyren for lunch and a tour of the Central Grasslands Experiment Station projects.

Submitted by /s/ Keith Trego Dated 12/14/07  
Keith Trego, Executive Director

Approved by /s/ Richard L. Kroger Dated Dec. 14, 2007  
Richard Kroger, President