

ND NATURAL RESOURCES TRUST
Board of Directors Meeting
July 13-14, 2004
Missouri-Yellowstone Confluence Interpretive Center
Williston, North Dakota

Tuesday, July 13, 2004

Directors attending the summer meeting of the North Dakota Natural Resources Trust Board of Directors at the Missouri-Yellowstone Confluence Interpretive Center were Bruce Adams, Dick Kroger, Jack Olin, Scott Peterson, Genevieve Thompson, and Dean Hildebrand. Trust employees attending were Keith Trego, Arnie Kruse, Sharon Clancy, Terry Allbee, Merle Bennett, and Linda Roeder. Others attending the meeting were Caroline Adams; Maria Effertz-Hanson, Garrison Diversion Conservancy District; Daniel Devlin, SEI, Inc.; Kevin Willis, US Fish and Wildlife Service; Andrew Banta, National Historical Society; Val Naylor, Theodore Roosevelt National Park; Genia Hesser, State Historical Society, and graduate students Jessica Gregory and Suzanne Jorde.

Dick Kroger called the meeting to order at 1:00 p.m. and roll call was taken. Scott Peterson and Dean Hildebrand joined the meeting later in the afternoon. Duane Liffbrig was absent. Dick called for a motion to approve the agenda. Jack Olin moved and Genevieve Thompson seconded **“to approve the agenda.”** A voice vote was taken and the motion carried 4-0. Genevieve Thompson moved and Bruce Adams seconded **“to approve the Consent Agenda”** consisting of the April 2004 minutes. A voice vote was called and the motion carried 4-0.

Recommendations/Special Reports

Kevin Willis, state private lands coordinator for the US Fish and Wildlife Service, gave a presentation on the North American Wetlands Conservation Act program. Kevin gave the history of the program and where it stands in North Dakota. Terry Allbee talked about the importance of the Trust’s nonfederal match to the NAWCA grants.

Terry Allbee gave the first half of the year financial report. The recommendation to the Board was to continue to reduce the grant solicitation for another year, with limited funds (\$50,000-\$100,000) available for 2004.

Bruce Adams reported on the SEI conference he attended in Naples, Florida. He said the speakers and the group sessions were very good. Many topics were covered, among them email etiquettes and “The Pyramid of Challenges.”

Terry then talked about the investment policy updates and changes. A draft was given to the Board for review before adoption of the policy.

Dan Devlin, SEI, talked about the current investment trends and what was happening in the market. He then reviewed the investment report. Discussion followed. The report is on file at the Trust Bismarck office.

Scott Peterson gave the Performance Evaluation Committee report. Scott reviewed the process used in the executive director’s performance evaluation. The performance evaluation is on file with the committee chair and is available to any Board member upon request. Scott asked for a motion to approve the committee report. Bruce Adams moved and Genevieve Thompson

seconded **“to approve the evaluation committee report.”** A voice vote was taken and the motion carried 5-0.

Scott Peterson presented the Trust pay plan proposal to the Board. He explained the Performance Evaluation Committee’s philosophy to develop a structured pay plan for the executive director and to assist the executive director in developing the same for the Trust staff. Scott outlined the committee’s seven strategy provisions – objectivity, long term, repeatability, universality, comparative, performance based, and cost of living increases. Discussion of the committee’s five-step approach followed. The five steps include a salary administration policy, position description development, salary survey/review, pay range selection, and development of a pay plan within that pay range. Scott asked the Board to review the information for a vote the next day. Scott also noted that Duane Liffrig (who is absent from this meeting) received the same information and was given the opportunity to comment. Discussion followed the presentation.

Merle Bennett gave a presentation on the Missouri-Yellowstone Confluence project (Neu and Ochs properties) history to current development. Keith Trego announced he received word that the Ochs project was approved for funding through the North American Wetlands Conservation Act (NAWCA). The final decision would be announced in September 2004. Closing on the property is scheduled for December 2004. Discussion followed.

The meeting adjourned for dinner. Greg Hennessy, Friends of Fort Union; John Haskins, North Star Caviar; Andy Anderson, Scenic Sports and Liquor; and Corey Paryzek, Upper Missouri United Sportsmen joined the Board for dinner and shared their involvement/support concerning the confluence project. After dinner, Kent Luttschwager and Fred Ryckman, ND Game and Fish Department, Williston office, ferried the Board across the river to tour the property.

Wednesday, July 14, 2004

The Trust Board and staff arrived at Fort Union for breakfast and a tour of the site given by Andrew Banta, superintendent, Fort Union Trading Post NHS. Jean Turcotte, assistant site supervisor, conducted the tour of Fort Buford State Historical Site. The Board meeting resumed at the confluence center.

Recommendations/Special Reports (continued)

Keith Trego reported on the Missouri River Farm and Ranch Lands Protection Program (FRPP). The easement closed in March and fund raising is ongoing. Keith talked about the different approaches being used for the fund raising. A second easement option has been signed for additional land along the river. Several landowners have approached the Trust with interest in this program.

Linda Roeder reported the web site is up and running.

Arnie Kruse reported on the renewable energy partnership progress. Arnie relayed the Board’s opposition to membership dues and the way the partnership was evolving. The partnership started a membership drive, leaving voting memberships at \$500, nonvoting at \$100. Arnie said he would wait until the July 27 meeting to decide on a voting membership for the

Trust. He said the Trust would be the only natural resource agency in the group. Most of the groups are big energy or groups that have tax write-offs. Two of Arnie's goals were included in the partnership list of goals. One goal is to have two million acres of perennial biomass crop on the ground in North Dakota by 2010 and the second is to set up plots on experiment stations in North Dakota.

Arnie is currently working up a budget and may come back to the Trust to request funding for seeding to start next year. There are grants available, but notification would come too late in the season. Current plans call for a plot of intermediate wheatgrass, a plot of tall wheatgrass, two plots of switchgrass, and a plot of typical CRP/DNC mix. Discussion followed.

Sharon Clancy introduced Jessica Gregory, graduate student, to present the 2004 Conservation Agriculture Progress Report. Jessica went over preliminary results for vegetation, avian, aquatic invertebrates, and water quality. Discussion followed. This report is on file at the Trust office in Bismarck.

Old Business

Terry Allbee updated the Board on the progress made by the Trust staff and legal counsel based on the Board's recommendations from the 2003 December meeting. The general discussion at that meeting was the recording of Trust agreements. All existing contracts were reviewed and put into four basic categories. Concerns included years remaining on the contract; the type of payment used—up front or annual; is it an older, existing contract or a new contract, and lastly, the type of contract used—an agreement, easement, or cost share. Decisions based off of the Board's recommendations were developed as follows:

1. Easements of any length will be recorded and have been recorded.
2. Current agreements and leases of less than five years or less than five years remaining where annual payments are made will not be retroactively recorded.
3. Current agreements and leases of any length where an up-front payment was made will be retroactively recorded.
4. All new agreements and leases of any length with any payment schedule--annual, up front, or any combination--will be recorded. The exception is if the Trust is a secondary contract holder.

Joe Cichy, legal counsel, is developing a one-page form that can be used for the recording of these documents.

Adoption of Updated Investment Policy

Scott Peterson moved and Genevieve Thompson seconded **“to accept and adopt the investment policy.”** A voice vote was called and the motion carried 5-0.

New Business

Keith Trego gave background information on the Partnership for Grassland Stewardship (PGS). PGS is an outgrowth of the Grassland Stewardship Initiative focusing on western rangeland issues, not exclusive to public land issues. It has been coordinated by the ND Consensus Council through a grant from the Bush Foundation. This grant is coming to an end.

The Consensus Council recommended PGS proceed on their own. Keith suggested one option for a future home could be the Trust and asked PGS members to present this idea to the Board for consideration. Another option is Dickinson State University. PGS would probably seek funds through other grants to continue their work. Val Naylor, superintendent, Theodore Roosevelt National Park, and member of PGS, explained the group is looking for a neutral, logistical support organization. Discussion followed and the Board agreed to learn more about the Partnership and consider their request.

Salary Plan Recommendations

Genevieve Thompson moved and Bruce Adams seconded **“to accept the salary plan recommendation put forward by the Performance Evaluation Committee.”** A roll call vote was taken. Dick Kroger, yes; Jack Olin, yes; Scott Peterson, yes; Genevieve Thompson, yes; Bruce Adams, yes. Motion carried 5-0.

The next board meeting is scheduled for 15-16 December 2004 at Expressway Suites in Bismarck.

The meeting adjourned for lunch and tour of the Elkhorn Ranch.

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

Dated 9/23/04

Approved by /s/ Richard L. Kroger
Richard Kroger, President

Dated Sept. 20, 2004