

NORTH DAKOTA NATURAL RESOURCES TRUST
Board of Directors Meeting
Doublewood Inn
Bismarck, North Dakota
July 28-29, 2008

The North Dakota Natural Resources Trust (Trust) Board of Directors summer meeting started at 8:00 a.m., Monday, July 28, at the Doublewood Inn, Bismarck, North Dakota. Attending the meeting were Directors Dick Kroger, Bruce Adams, Duane Liffbrig, Scott Peterson, Jack Olin, and Genevieve Thompson. Terry Steinwand, ex-officio member, North Dakota Game and Fish Department, also attended. Trust employees Keith Trego, Terry Allbee, Merle Bennett, Karen Kreil, and Linda Roeder were present. Others present were Merri Mooridian, Garrison Diversion Conservancy District; Angela Magstad, ND Water Education Foundation; Jesse Beckers, Pheasants Forever; Jim Hauge, Eide-Bailly; Warren Larson, Sen. Dorgan's Bismarck office; Randy Kreil, ND Game & Fish Department; and Dave Thompson, Public Broadcasting.

Monday, July 28, 2008

Monday's meeting was devoted to a farm bill discussion. Participants included Sharon Clancy, who reported on the Conservation Agriculture project; Ron Herr and Ted Alme reviewed the many farm bill programs administered through the Natural Resources Conservation Service (NRCS) including CRP, WRP, GRP, FRP, WHIP, EQIP, and CSP. Greg Link, ND Game and Fish Department, gave a presentation on working lands concept - farm bill of the future.

The afternoon session began with 'Ag Perspective of the Farm Bill, Trade Issues, WTO.' Panel members included Dan Wogsland, ND Grain Growers Association; Kelly Froelich, director, Region 1, Independent Beef Association of North Dakota (I-BAND); Jeff Knudson, ND Department of Agriculture; Tom Hanson, ND Association of Soil Conservation Districts; and Wade Moser, ND Stockmen's Association.

The second panel focused on 'Politics, Dynamics of Creating a Farm Bill.' Scott Stofferahn, Senator Kent Conrad's Fargo office, and Scott Stephens, Ducks Unlimited, gave presentations.

Questions and answers followed during an open discussion period. An article on this discussion will appear in a future *Water* magazine.

Tuesday, July 29, 2008 - Business Meeting

Dick Kroger called the meeting to order at 8:00 a.m. Roll call was taken. Scott Peterson moved **"to approve the agenda"** and Duane Liffbrig seconded. A voice vote was taken and the motion carried. Jack Olin moved and Scott Peterson seconded **"to approve minutes of the spring meeting."** A voice vote was called and the motion carried.

Recommendations/Special Reports

Karen Kreil reported on the evaluation of perennial herbaceous biomass crops in North Dakota. The plots were established in 2006 and harvest and data collections were done in 2007 and 2008. NRCS awarded the Trust a second grant for \$65,000 for the fourth and fifth years of the study. The Trust will work with NDSU and gather some economic data that is needed for biomass production.

The Spiritwood project is a combined heat and power plant spearheaded by Great River Energy. The Trust was not awarded a grant from the Bush Foundation for this project. Great River Energy received a Renewable Energy Council grant, so the work on the biomass conservation model, biomass business model, producer economic model, and the conservation model will move forward with that money and other money provided by the partners. The ethanol facility is currently on hold because of the cost of corn, as well as the State Water Commission determining there is not adequate water. Great River Energy is moving forward with their plans and the plant is expected to be up and running in early to mid 2010. Discussion followed.

Merle Bennett updated the Board on the Big Oxbow project. A second meeting was held with the landowners. Everyone is still on board and anxious to sell their land. The landowners all signed up for the WRP program, and the appraisal process can move forward. One landowner has said he will sell his land, but we must also buy two other parcels of ag land he owns. The only advantage to this would be easy access to the area. Another landowner saying he wants to buy those parcels has approached the ND Game and Fish Department in Williston. Duane Liffbrig stated concerns with the buying/selling of this land when the current landowner could sell it directly. That would prevent unfavorable publicity.

Keith Trego reviewed the history of the Smith property and Glenn Smith's wish to let the ND Game and Fish Department (NDGFD) have the first chance to buy his land next to the Smith Grove Wildlife Management Area in Oliver County. Terry Allbee reviewed the location and specifics of the property. Funding is the real issue. The Trust is partnering with the ND Game and Fish Department, and there are 14 other partners consisting of conservation groups, energy groups, and the Friends of the Missouri River who have expressed interest in funding the purchase. The purchase price is \$492,000. The NDGFD, with the State Wildlife Grant they received, will provide \$400,000. Partners will fund the remainder, but some of the funds will not be available until later in the year. Terry requested authorization for the Trust to act as financial agent for the property and provide those funds so the closing stays on schedule. Discussion followed.

Terry reported on a project in Grand Forks County consisting of prairie grasses. Paul Bry has approached the NDGFD offering to sell a quarter section that would round out the existing Prairie Chicken WMA. NDGFD is looking for funding partners to help with the acquisition.

New Business

Scott Collins presented the North Dakota Drift Prairie Project, Phase II, grant request to the Board. The US Fish and Wildlife Service is asking for a total of \$20,000 over a two-year period for restoration of 150 prairie pothole wetlands on private lands. The work is expected to run from May 2009 through May 2011.

The North Dakota Partners for Fish and Wildlife Program presented a token of appreciation to Keith Trego for the key role he has played for many years in the restoration and enhancement of wildlife habitat on private lands in North Dakota.

Recommendations/Special Reports (continued)

Robert Thomas, SEI, reviewed the investment report with the Board. The Trust's portfolio is doing okay during these difficult times. This report is on file at the Bismarck Trust office.

Terry Allbee presented the first half of the year financial summary. Terry recommended a 2009 grant budget of \$50,000.

Old Business

Keith Trego led the discussion on the newsletter issue of continuing our articles in the *Water* magazine versus in-house. The cost is roughly \$18,000 per year to have our newsletter in the magazine four times a year. Discussion followed.

Bruce Adams moved **“to accept the grant request from the Fish and Wildlife Service.”** Duane Liffbrig seconded the motion. 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.

Genevieve Thompson moved **“to give the Trust management/oversight authority for the Smith property acquisition as it moves forward.”** Scott Peterson seconded. A roll call vote was taken: Bruce Adams - yes, Dick Kroger - yes, Duane Liffbrig - yes, Jack Olin - yes, Scott Peterson - yes, and Genevieve Thompson - yes. Motion carried 6-0.

Duane Liffbrig moved and Bruce Adams seconded **“to extend our participation for one year with the Water magazine (the same as last year).”** A roll call vote was taken: Duane Liffbrig - yes, Jack Olin - yes, Scott Peterson - yes, Genevieve Thompson - no, Bruce Adams - yes, and Dick Kroger - yes. Motion carried 5-1.

Genevieve Thompson reported on the executive director's performance evaluation. Keith received a positive evaluation. All documentation is on file. Scott Peterson moved **“to accept the performance evaluation.”** Duane Liffbrig seconded and a voice vote was taken. Motion carried 6-0.

