

Minutes of a Meeting of the Outdoor Heritage Fund Advisory Board
Held on May 13, 2014 at 10:00 a.m.
DMR Conference Room, 1000 E Calgary
Bismarck, ND

Present: Wade Moser, OHF Advisory Board Chairman
Randy Bina, OHF Advisory Board
Carolyn Godfread, OHF Advisory Board
Jon Godfread, OHF Advisory Board
Blaine Hoffman, OHF Advisory Board
Tom Hutchens, OHF Advisory Board
Bob Kuylen, OHF Advisory Board
Jim Melchior, OHF Advisory Board
Kent Reiersen, OHF Advisory Board
Patricia Stockdill, OHF Advisory Board
Dan Wogsland, OHF Advisory Board
Larry Kotchman, OHF Advisory Board
Terry Steinwand, OHF Advisory Board (portion of meeting)
Rhonda Vetsch, OHF Advisory Board
Mark Zimmerman, OHF Advisory Board
Scott Peterson, ND Game & Fish sitting in for Terry Steinwand
Tom Clays, ND Forest Service

Also

Present: Brock Wahl, Department of Mineral Resources Technician
Erin Kuetemeyer, Department of Mineral Resources Technician

Dean Wehri	Karla Meikle	Paul Kotaska
Cathy Palczewski	Melanie Parvey	Rosanna Kotaska
Elly DesLauriers	Barry Johnson	Terry Allbee
Michelle Psyck	Bridgette Readel	Daniel Casey
Terry Biby	Nathan Johnson	Steven Dvorak
Stephanie Delmore	Ryan Odenbach	Rachel Bush
Susan Lundberg	D. Larson	Matthew Olson
Vern Muscha	Sarah Johnston	Ryan Heiniger
Lindsey Stein	Hetty Walker	Maxine Rasmussen
Les Thomas	James Jahnz	Brian Gerbig
Tyler McPherson	Kelly Eversen	Jackie Buckley
Ross Thykeson	John DeVries	Lyle Poitra
Kane Ferris	Cary Wertz	

Chairman Wade Moser called the Outdoor Heritage Fund Advisory Board (“Board”) meeting to order with a quorum being present.

Mr. Moser asked for any additions or deletions to the May 13, 2014 agenda. Two items were added:

- Marketing of the position that has been funded by the North Dakota Petroleum Council to assist smaller groups in putting together applications;
- A suggestion regarding 319 grant applications.

The January 22, 2014 meeting minutes were presented. (Copies are available in the Commission/OHF files.) It was noted that the January 13 and 14 meeting minutes were not completed. They are quite lengthy and are taking some time to get done.

It was moved by Mr. Wogsland and seconded by Mr. Melchior to approve the January 22, 2014 minutes as presented. The motion carried.

Ms. Karlene Fine, Industrial Commission Executive Director, presented the financial report as follows:

Outdoor Heritage Fund (294)
 Financial Statement
 2013-2015 Biennium
 May 13, 2014 Industrial Commission Meeting

	<u>Cash Balance</u>
July 1, 2013 Balance	\$ 0.00
Interest Revenue through March 31, 2014	\$ 783.71
Revenues through March 31, 2014	\$ 6,409,522.41
Grant Expenditures through March 31, 2014	\$ (4,500.00)
Administrative Expenditures through March 31, 2014	<u>\$ (77,136.34)</u>
	\$ 6,328,669.78
Outstanding Project Commitments as of March 31, 2014	<u>\$(5,843,633.00)</u>
Balance	\$ 485,036.78

Outdoor Heritage Fund
 Continuing Appropriation Authority
 2013-2015 Biennium

Uncommitted Balance July 1, 2013	\$ 000.00
Interest Revenue	\$ 20,000.00
Revenues Fiscal Year 2014	\$15,000,000.00
Revenues Fiscal Year 2015	<u>\$15,000,000.00</u>
	\$30,020,000.00
Administration Expenditures	\$ (300,000.00)
Project Commitments 2013-2015	<u>\$(5,848,133.00)</u>
Available Funding	\$23,871,867.00

54-17.8-02 North Dakota Outdoor Heritage Fund – Continuing appropriation

There is created a North Dakota Outdoor Heritage Fund that is governed by the Commission. Any money deposited in the Fund is appropriated on a continuing basis to the Commission for the purposes of this chapter. Interest earned by the Fund must be credited to the Fund. The Commission shall keep accurate records of all financial transactions performed under this chapter.

57-51-15(d). Outdoor Heritage Fund - Deposits.

First the tax revenue collected under this chapter equal to one percent of the gross value at the well of the oil and one-fifth of the tax on gas must be deposited with the State Treasurer who shall: ...

(d) Credit four percent of the amount available under this subsection to the North Dakota Outdoor Heritage Fund, but not in an amount exceeding fifteen million dollars in a state fiscal year and not in an amount exceeding thirty million dollars per biennium;...

Mr. Moser provided an overview of the process and stated that it will be similar to last time. Every applicant will be given 10 minutes for a presentation followed by a time for questions. The questions should be for clarification purposes and not for a discussion on the merits of the application. After the Board has heard from all the applicants there will be short break and the Board will begin the discussion on each of the applications. The Board will then complete their funding ranking tally sheets. The sheets will be turned in and the information compiled so you can see the funding level recommended by each

Board member. Those applications with six or more zero funding will be combined together for one vote. If a Board member wishes to pull an application off of that list and have additional discussion for a particular project and have a separate vote that will be done. The applications that remain will then be discussed one by one. Last time the Board used an average number. The suggestion has been made that we not use that process this time but rather look at each application, discuss and determine a funding amount and then vote on each application. Ms. Fine asked that if any Board member has a conflict of interest they fill out the form and turn it in.

The Board then heard presentations on the following applications:

GR2-01 – Maercklein Park Basketball Court - Mott Park District - \$29,312 - Directive D - Presentation made by Mr. Dean Wehri. (Slides are available in the Commission files.) In response to a question Mr. Wehri stated that their one cent sales tax is approximately \$15,000. It is a good source of funding but this past year they had to use the money for a new boiler on the swimming pool. The swimming pool, which is 10 to 15 years old, uses up most of the monies that come from that tax.

GR2-06 – Equip the Menoken 4-H Picnic Park Mutual Aid Corporation with accessible bathrooms and update the electrical infrastructure - Menoken 4-H Picnic Park Mutual Aid Corporation Board of Directors - \$20,648 - Directive D - Presentation made by Ms. Cathy Palczewski. (Handouts are available in the Commission files.) In response to a question Ms. Palczewski described the location and size of the park, and the infrastructure (picnic tables, picnic shelter, bandstand, fire rings and camper hookups). She stated that the 4-H Club maintains the park, the kids mow it and get it ready for rentals, pick up garbage, fix and paint picnic tables and do that for a fee of \$200.00 per year. In response to a question Ms. Palczewski said it is considered a public facility but they have not received any financial support from Burleigh County or the Park District. The Burleigh County Sheriff's Department does do additional patrolling when there are bigger events. In response to a question she said they do charge rents and stated what those rates are.

GR2-09 - Centennial Park Woodland Trail and Souris River Recreational Access Plan - Minot Park District Foundation - \$551,000 - Directive D - Presentation made by Ms. Elly DesLauriers. (Slides and handouts are available in the Commission files.) Ms. DesLauriers responded to a series of questions about the proposed project including whether or not this project could be destroyed by another flood (yes, it is on the wet side of the proposed dike); what they will be doing for stream bank erosion control (will be leveling them off so they are safer and accessible which will allow for a shore line fishing area; will require permitting from the Corps which is a process they are familiar with; keeping the area in a natural setting (yes, it is a beautiful area and they want to keep it natural like the Park District's Bison Path Trail); why a phased approach (would prefer to do it all at one time but for purposes of obtaining funding they have chosen to do it in phases and have obtained some matching funds in the amount of \$83,000 from the Minot Area Community Foundation that will cover the majority of A&E costs on the project); what amount of funding is needed for Phase I funding (\$300,000); is the Park District providing any funds (no, this project was developed when they became aware of the Outdoor Heritage Fund and that was after their budget process had been completed.)

GR2-020 - Lake Tschida Playground - Tri-Cities Joint JDA - \$48,989 - Directive D - Presentation made by Ms. Michelle Psyck. (Handouts are available in the Commission files.) In response to a question, Ms. Psyck indicated the set up costs of \$22,000 was the amount given to them by Dakota Fence for setting up playgrounds. In response to a question about accessibility and the need for them to change their plans from engineered wood fibers she noted that she has up to \$53,000 available in her budget and the Bureau of Reclamation will match that dollar for dollar.

GR2-05 – City of Munich Playground Equipment Fund – City of Munich - \$45,000 - Directive D - Presentation made by Mr. Terry Biby. (Handouts are available in the Commission files.) In response to a question regarding income from the campground and other funds, Mr. Biby stated that the community is

also doing a tiling project of the park and that is costing some money. However, it is needed to secure the playground equipment from any damage in the future. He said he has donations of almost \$30,000 but it is going to be nip and tuck of getting everything paid for. In response to a question he stated that they are still on the schedule as of right now for getting the equipment installed this year.

GR2-024 - Sleepy Hollow Preservation and Renewal - Sleepy Hollow Arts Park - \$295,291 - Directive D - Presentation made by Ms. Stephanie Delmore and Ms. Susan Lundberg. (Slides are available in the Commission files.) Mr. Wogsland thanked Ms. Delmore and Ms. Lundberg for what they have done for the community. He lived in the Sleepy Hollow area and what they have done, what they do and what they have given to the community is outstanding and what they give to the people of North Dakota – he said thank you. In response to a question Ms. Delmore clarified that Phase I has been done. Part of what they are asking for is Phase II -- the two side areas. She described why the side areas were needed. In response to a question regarding how much of the total project costs of \$601,000 are for the construction of the performance area, Ms. Lundberg said they have estimated about \$200,000 to \$300,000. They briefly reviewed the budget and the matching funds that will be provided. In response to a question regarding the vegetation and trees that had been selected which are not all native to North Dakota, Ms. Delmore said she has been dealing with consultants and they had made those recommendations. The suggestion was made to work with the Soil Conservation Service and take into consideration the amount of maintenance that would be needed for the trees and vegetation. They will be consulting with the experts and will be careful with the plantings.

Mr. Moser introduced Andrea Pfennig who is our new staff person that is going to help with the administration of the Outdoor Heritage Fund.

GR2-025 - Beulah Bay Campground Expansion and Conservation Project - Beulah Park District - \$53,212 - Directive D - Presentation made by Mr. Vern Muscha. (Handouts are available in the Commission files.) In response to a question regarding adding 30 amp pedestals, Mr. Muscha said they are actually 20/30/50 amp pedestals. In response to a question Mr. Muscha explained how they are dealing with the problem of long-term campers. He noted that because they are regulated by the Corps of Engineers this must be maintained as a recreation area and long-term workers aren't allowed. He explained how they handle the workers with other park facilities in town and at other locations. In response to a question about the budget, Mr. Muscha explained the \$9,000 in-direct is basically his time working on the project; there will be volunteer help at \$8,500 - 567 hours of volunteer labor.

GR2-018 - Hankinson Park District Restroom Replacement Project - Hankinson Park District - \$19,250 - Directive D - Presentation made by Ms. Lindsey Stein. (Slides are available in the Commission files.) In response to a question, Ms. Stein stated that the restroom facility serves all the areas of the park itself, two softball diamonds that are south of the restrooms. In total approximately an eight square block area. In response to a question, Ms. Stein said the other improvements in the park were done with a great deal of volunteer labor but she didn't have information on any of the funding partners.

GR2-019 - TMBCI Sky Chief Park Educational Stewardship Lodge - Turtle Mountain Band of Chippewa Indians - \$60,000 - Directive D - Presentation made by Mr. Les Thomas, Lyle Poitra and Kane Ferris. (Slides are available in the Commission files.) In response to a question it was indicated that the interior design includes the bathroom facilities with a shower, a large room for meetings and gatherings and a kitchenette. This facility will be located right next to the picnic shelter and picnic tables, grills, etc.

GR2-08 - Norsemen Outdoor Education Center - Norsemen Archers, Inc. - \$220,781 - Directive D - Presentation made by Mr. Tyler McPherson and Mr. Ross Thykeson. (Slides are available in the Commission files.) In response to a question, Mr. Thykeson stated that they had not approached the North Dakota Game and Fish Department for any funding. They pointed out that they have matching support from Reynolds United Co-op, Titan Machinery, Goose River Bank and labor would be provided by Club members. In response to a question, Mr. Thykeson stated that they had not dedicated anyone to

be responsible for the coordinating, clean-up and maintenance on the facility if it is used for meetings, weddings, dances, etc. That needs to be discussed if they are awarded the funding. The outdoor course is already established down by the river and is maintained by Club members. In response to a question Mr. Thykeson stated the Club owns the land and it goes from the state road back 200 feet and 140 feet wide. In response to a question Mr. Thykeson stated they had not requested financial support from the park district, city, high school or college. Several of those entities had stated support for the project but have not yet been asked to provide financial support.

The Board took a break for lunch and resumed the presentations at 12:30 p.m.

Mr. Moser introduced two alternates representing non-voting Board members - Scott Peterson, ND Game & Fish who is sitting in for Mr. Terry Steinwand and Tom Clays, ND Forest Service who is sitting in for Larry Kotchman.

Mr. Moser encouraged the members to be thinking about the agenda item titled "General Discussion by the Board regarding expectations." He would like input from the members on a few questions:

- What kind of projects are the Board looking for?
- What would the Board like to see some group, organization, entity bring forward for funding?
- Based on what you have seen so far in the applications is there anything else or more detail you would like to see in the grant applications?

GR2-015 - North Dakota 4-H Camp - North Dakota 4-H Foundation - \$18,768 – Directive D - The presentation was made by Karla Meikle. (Handouts are available in the Commission files.) Ms. Meikle indicated that this was a revision of the application they had presented earlier in the year. In response to a question regarding access by the public, Ms. Meikle said when the Camps are in operation they still have people that drive through the facilities. We do welcome them to come out and walk around and take a look. We keep the kids with counselors, extension staff and volunteers throughout the day – so the general public would be able to come out and enjoy those areas throughout the camping season. In response to a question, Ms. Meikle said 380 youths attended the 4-H camps last summer. In the past, they've had upwards of 500 to 600 youths throughout the summer. This year alone with the different activities that go on throughout the season they had 1,000 participants between youth, parents and grandparents. There are different events throughout the year as well. In addition there are reunions on weekends when 4-H activities are not being held so there is a lot of attendance outside of the 4-H world.

GR2-016 - Downtown River Access for Grand Forks Greenway - City of Grand Forks - \$75,000 - Directive D - Presentation made by Ms. Melanie Parvey. (Handouts are available in the Commission files.) In response to a question Ms. Parvey stated that the cash match of \$20,000 is from the City. The City set up a storm water utility fund which is a component of the City's utility funds. The City uses the enterprise funds within storm water to help maintain the greenway. The City has a small budget line item that is used for some small capital projects and this project is currently in that budget. The \$75,000 is the engineer's estimate for contract labor based on other work that had been done in the area. In response to question regarding a concrete stairway and if there was a ramp component, Ms. Parvey said the ramp they looked at was an extension off the trail – all of our ramps just to the south of there are all ADA accessible so we were looking at ramping from the south end. North and south of there is where there is a lot gentler slope that we could utilize to get people down to that site. The very spot where the boat house is itself is steep. In response to question regarding participation by the park district, Ms. Parvey said the City actually owns the entire river front. The park district is a partner with the City; they manage some of the major parks within that area. The park district themselves were looking at supporting Ground Up Adventures through a couple of their funding sources. They had received a grant and some operating costs for the actual facility and staff themselves but no capital dollars have been requested of the District. In response to question regarding who will operate the boat house or rentals, Ms. Parvey said Ground Up Adventures, a non-profit, has shown the city council and park district their business plan and they've

supported that plan and want to partner with them in these avenues of how we can enhance the river bank and provide access.

GR2-012 - Northern Cass Pass - Hunter/Arthur JPA Park Board - \$138,876 - Directive D - The presentation made by Ms. Bridgette Readel and Mr. Barry Johnson. (Slides are available in the Commission files.) In response to question regarding the railway being very straight and still having the ballast on it (the big rocks) and what is the plan for that, Mr. Johnson said that is dealt with in Phase 3. They will put a fabric down and put an additional aggregate on top of that with the paving. The ballast stays there which is a great subsurface for a road or a bike path.

In response to a question regarding if the JPA is going to pay the taxes on the land given, Ms. Readel said they don't know. They have not been given any of that information but as a joint park board they have applied for and should be granted shortly from the IRS a 501(c)3 non-profit status but she can clarify it and find out. In response to a question regarding if the railways that owned the land paid taxes on the land, Ms. Readel said yes, they did.

In response to a question regarding if the JPA has title to and owns the property, Ms. Readel said they have clear title to the property.

In response to a question regarding a recent court case involving the Rails to Trails Program, where it was determined that the right-of-way easement did not survive the abandonment of the rail do you know if it would apply in this situation, Mr. Johnson said that is on-going right now. Ms. Readel provided some details about the litigation that is primarily taking place on the east coast and how it involves adjacent landowners to the trails, the rights of the federal government, etc.

In response to a question regarding support and usage, Ms. Readel said Hunter and Arthur both hold community 5k and 10k's as part of their community celebrations. Northern Cass High School has contacted the Board through their athletic department asking to use it for cross country as well as for their track team. Literally the greatest focus and reason for doing this project is because the truck traffic on that stretch of Highway 18 into Casselton has tripled from what it was four years ago according to the North Dakota Department of Transportation. Highway 18 is no longer a safe way to travel for anyone who wants to use it for recreational activities. We need to do this in order to assure not only our kids but residents from the Good Samaritan Center in Arthur (a retirement and assisted living center) have a safe place for outdoor recreation.

In response to a question regarding maintenance of the trail such as moving snow or sealing the pavement, Ms. Readel said once it is paved they will have a maintenance plan so we can make sure it is maintained as a joint park board. It is six miles and each park board will have the responsibility for their three miles but we already have the agreement in place as a JPA.

In response to a question regarding how they will fund the remaining \$2 million, Ms. Readel said continual grant applications, private donations and working with the adjacent landowners. They see the benefit--they do not want to take that railroad bed out because it would greatly affect the water movement in that neighborhood for drainage for growers as well as the community of Arthur. So we think working together as two communities and everyone who touches that land, we have several ways of helping make this happen. One option is obtaining a TAP grant.

In response to a question regarding whether they had contacted the ND DOT to help fund the living snow fence, Ms. Readel said ND DOT is one option. They have also had conversations with ND Forest Service. Yes, they have already had those discussions.

In response to a question regarding the three bridges, Mr. Johnson said they have received funding for the three bridges through a grant.

In response to a question it was indicated it will first be a nature trail and then at some point it will be blacktopped and be even more usable.

GR2-03 – Bald Hill Creek Watershed Project - Griggs County Soil Conservation District - \$300,000 - Directive B - Presentation made by Mr. Nathan Johnson. (Slides are available in the Commission files.) In response to a question, Mr. Johnson indicated that he had received an e-mail yesterday stating that his 319 funding request for \$300,000 had been fully funded for five years. In response to a question he stated that Griggs County had received 319 funding a number of years ago. In response to a question, Mr. Johnson stated that he did not know the number of acres that had been treated in the previous 319 project--that funding had been for the entire county and not just the Bald Hill Creek Watershed. In response to a question he stated that if awarded funding the Outdoor Heritage Fund dollars would be used to do more practices; they would follow the 60/40% allocation.

GR2-011 – Stutsman County Manure Management Project - Stutsman County Soil Conservation District - \$800,000 - Directive B - Presentation made by Mr. Ryan Odenbach. (Slides are available in the Commission files.) In response to a question he indicated that there are laws in place regarding feed lot manure management systems and they encourage the operators to comply with those laws. He noted there are changing regulations but eventually the operators no matter the size of their operations will have to be in compliance with the law. This funding will assist them in selecting the best management practices to do that. In response to a question Mr. Odenbach stated the costs for the winter rotation systems on average are \$30,000. By utilizing the winter rotation system, the operator is not required to have a permit under current law as the manure is spread out over a larger area. In response to a question, he stated that a full containment system should last a lifetime if proper operation maintenance is followed. In response to a question he stated that he has been approved for 319 funding and he has reached the maximum that he can use on best management practices--he has more producers seeking funding than he has funds. In response to a question regarding if there was a reason he wanted to buy down more than the 40% instead of using it and spreading those funds out, Mr. Odenbach said the only reason he used that example in his application is based on what the Board had previously funded. If the Board requested, he would be happy to stay within the 60/40 percentages. In response to a question regarding five full manure management systems and why those producers are not looking at winter rotational grazing which is so much less costly, Mr. Odenbach said they are feeding calves; they are basically feed lots.

GR2-07– Red River Riparian Project - Red River Regional Council - \$230,000 - Directive B - Presentation made by Ms. Sarah Johnston and Ms. Hetty Walker. (Slides and handouts are available in the Commission files.) In response to a question regarding 1,000 linear feet or 80 miles, how far back from the stream do they actually go, Ms. Johnston said when it comes to riparian zones in North Dakota, usually they are within 50 to 100 yards of the stream channel itself. The way they count the miles is 12 acres is equal to one river mile. If she goes back and restores a whole bunch of acreage of riparian forest, she can convert it into river miles. It was indicated that deer is found primarily in the riparian areas because everything else is being farmed. In response to a question regarding why there was a difference in her application regarding the percentages for cost share and what she has on her slides, she indicated that when contacted about an error in her application she had corrected the budget but had not corrected the percentages. She apologized for that oversight. The correct percentages are on the handout.

In response to a question regarding why she is dropping the 40% to 20% as it relates to the landowner share, Ms. Johnston said a lot of these projects are anywhere between \$30,000 to \$70,000 and if she can try to make the cost for the landowner around \$10,000 that is something the landowner is willing to set aside. If we do not offer more cost share, it is going to be a lot of planning and not a lot of implementation. She stated they have a track record of putting together excellent plans but the costs, unfortunately, are something they can't change. To do good technical planning, you really want to have all those components in there and you don't want to sacrifice anything like native species; native plants are very expensive. She really sees the specialty of these kinds of projects and the costs needing that extra

cost share. It is a little different than working with livestock producers because they are willing to go to the bank to get a loan to do that rotational system and they feel good about getting a pipeline and water so they can justify and legitimize that as part of their operation expenses. It is different when you are doing riparian vegetation and forestry plantings because it is harder for them to justify that investment; they do not get an immediate return on investment.

GR2-017 - Turtle Creek Watershed Project Water & Habitat Initiative - South McLean County Soil Conservation District - \$138,000 - Directive B - Presentation made by Mr. James Jahnz. (Slides are available in the Commission files.) There were no questions.

GR2-014 - Blacktail Dam Association - Blacktail Dam Association - \$75,000 – Directive A - Presentation made by Mr. Kelly Eversen. (Handouts are available in the Commission files.) In response to a question Mr. Eversen said they had gotten the estimates for the fishing piers from the Game and Fish Department. They estimate \$14,000 to \$15,000 per pier depending on the size of the pier. That estimate was from a couple years ago and that company (from where they got the estimates) has gone out of business so the costs would be higher than those estimates. In response to a question Mr. Eversen said they had one actual estimate for the lift station from Joe's Digging Service for \$25,000 and engineering costs are another \$20,000. In response to a question regarding tracking the increased use over the years with the increase in population and the oil field impact, Mr. Eversen said it has been hard to judge because of weather conditions -- heavy snow three years ago; drier the next year and then little camper use last year because the septic field was flooded out. There is an increase overall but because of flooding of the system there has been impact on usage. In response to a question regarding a decrease in campers and an increased need for the fishing piers, Mr. Eversen said they are hoping to get the camping back and, therefore, we need the fishing piers. We have a lot of people drive out and not camp –just fish and the current piers are always full.

GR2-10 - Prairie Project - United Prairie Foundation Inc. - \$640,300 - Directive A - Presentation made by Mr. John DeVries. (Slides are available in the Commission files.) He said United Prairie Foundation was formerly Save the Hens Foundation. Their mission is to target invasive nonnative things to our grassland habitat. In response to a question regarding what the primary motivation is now that private landowners come to him and want native prairie, Mr. DeVries said a lot of the 319 projects would benefit if this bulk seed was available and those programs would see lower costs, we could buffer riparian areas, we could provide a lot of benefit to landowners. A suggestion was made that a way private landowners could potentially acquire seed is if they put it into PLOTS. Mr. DeVries said this grant would be to work with public entities – we would work with private landowners if they enrolled in the PLOTS Program and that would allow people on the PLOTS land. In response to a question regarding the organization structure and what the OHF funds will actually be used for, Mr. DeVries said they have a board of directors and a local seven person steering committee based out of Ransom County and they help make decisions on day to day operations. The grant funds will be used to acquire the seed which is very difficult. They are out now hand harvesting seed for PLOTS, combining – funding the combine, drying the seed, processing it and seeding these PLOTS. In addition, they will be working hand and hand with the Game and Fish Dept., we have to find land to put this on. We will be looking for tracts between 20 and 50 acres to do these development plots on and they will be private land tracts they will be renting from agriculture producers. If everything goes as planned at the conclusion of the ten year grant – that person will have the option to go back to row crops or we create a program where you can lease it to someone for the harvest of these plants, you will have many options. What they will have is a native prairie restoration and not just plantings on the prairie. In response to a question regarding the Game and Fish holding the landowner contracts, Mr. DeVries said their goal is to have 300 acres over the next three years putting in these developmental plots. When we come and rent these pieces of land from the landowner, United Prairie is not going to be doing that, it will be the ND Game and Fish Department renting it and holding the PLOTS contracts – we are like the worker bee in the whole deal, we will be the laborers behind it. In response to a question regarding if the Game and Fish will actually lease the land, Mr. DeVries stated yes. They will be leasing the land and it will be enrolled in the PLOTS Program. He can't say every single acre would be in

PLOTS but they will all be posted with a sign however the Game and Fish decides to post these properties showing recognition of the OHF and Game and Fish who are the main ones making this happen. He discussed the budget. Currently, they manage – just broke ground on 600 acres in South Dakota with cooperative farming agreements with the US Fish and Wildlife Service. It is very focused on what we are doing on their program – similar to this but it is through them. He said about 1,000 acres total. They have two full time employees including him. He plans to hire interns and temporary workers in the summer – if we get funded on this we will have to add some people.

In response to a question regarding if they add staff how they will fund them, Mr. DeVries said like our current projects, we seeded in 60 acres this year in the development plots – dollar donations, some will provide seed for this program – it is very difficult to come by, it doesn't all come free. That is why we cut it to the lowest level per acre of dollar to get this seed. Once the seed is in the program, it is basically yours, we are not selling it or prospering – three years of gathering seed and then it is all about combining it. We have to pay for our combine and we do other programs that allow us to be able to do this at the low dollar levels that we have here. In response to a question regarding his earlier statement that they will not benefit themselves from the seed because they are giving it away – what is their source of revenue to keep the business going, Mr. DeVries said he hopes they do not go belly up doing this. They need volunteers.

Mr. Terry Steinwand said what Mr. DeVries was referring to on the \$50.00 per acre is it's a PLOTS contract, we have many different forms of PLOTS and that's a habitat PLOTS. It would involve public access and be open to hunting.

GR2-013 - Pheasant Lake Fishing Access/Shoreline Restoration Project - Dickey County Park Board - \$21,250 – Directive A Presentation made by Ms. Cary Wertz. (Slides are available in the Commission files.) In response to a question regarding who would maintain this, Ms. Wertz said the local county park board – they operate on about a \$47,000 budget – in visiting with the engineers and individuals that have implemented these, about every five to ten years they mentioned taking in an excavator and scooping out the sediment – that is not a lot of expense. The County Park Board and County Water Board, this is a county owned lake, would maintain the project. In response to a question regarding whether a Corp of Engineers 404 Permit was needed, Ms. Wertz said they do not need a 404 Permit. The Corp of Engineers has named Pheasant Lake as a non-navigable stream and have deferred all of their jurisdiction to the county level. The County Water Board will have jurisdiction and they support this project as well as the County Park Board. In response to a question regarding an earthen fishing pier, Ms. Wertz said yes, it is an earthen fishing pier. It is a four-to-one slope because of the slope of the land which makes it an accessible area. In response to a question regarding \$15,000 cash in the budget and where it comes from, Ms. Wertz said the County Park Board and County Water Board will be filling in the gaps. They reviewed the budget on the summary sheet and noted that it was slightly different in the application. It is \$15,000 cash and \$1,200 in-kind.

The Board took a five minute break before resuming the presentations.

GR2-02 – South Golden Lake Inlet Beautification Project - Golden Lake Improvement Association - \$67,342 - Directive C Presentation made by Mr. Paul Kotaska and Rosanna Kotaska. (Handouts are available in the Commission files.) He said at the last minute they have received an additional \$10,000. In response to a question regarding the additional \$10,000 reducing the grant request down to \$57,342, Mr. Kotaska said yes. In response to a question regarding the projected budget coming out to \$72,342 and he had \$74,342, Mr. Kotaska said Ms. Fine had him add the in-kind labor on top – he had it submitted in a couple different ways and this is the way we decided to submit it. He reviewed the bids. The \$2,000 would be labor to help clear some brush, etc. In response to a question regarding if this was a private or public lake, Mr. Kotaska said it is a public lake.

In response to a question regarding who will maintain the drainage of this channel and what is the future sustainability, Mr. Kotaska said the Steele County Park Board will maintain in the areas of the lake that

are owned by Game and Fish, they have a county mower and hire a person to mow it. The other area, about two acres of grass that would need to be cut, the landscaper said after the trees are planted they would hydro seed the disturbed soil and they figured it would be about two acres so the park board has agreed to take care of that up to the tree and between the trees down to the channel it would be the association. Now, there are two camp grounds on the lake and they are both on the east side with no room for weekenders, it is booked up solid – so if you want to come with a pop up camper or a tent, there is really no place to go. If we start with this, get people talking, better things will come.

In response to a question regarding if he had contacted soil conservation districts as far as the trees, Mr. Kotaska said not this time around. A couple years ago they were going to do this on their own and they were actually going to go plant trees along the inlet from Rush Lake but the landowner was not nuts about it and the lawyer did not know about the right of ways and easements so we did not. These trees are already two feet, about an inch in diameter so they are more established. Soil Conservation would provide little whips that have a less chance to make it. Ms. Vetsch encouraged Mr. Kotaska to contact his local soil conservation district in his county. Many times the district if you talk to them in regards to getting larger potted stock or different conservation grade sizes, they will order those trees in. She also noted that they may be a candidate for the Outdoor Heritage Fund North Dakota Soil Conservation Tree Planting program.

In response to a question regarding if he was going to use the dredge material for the west side boat parking lot letting it dry down and using it for that, Mr. Kotaska said if it is feasible – it might be too mucky for that. They would have to burn it out to see what is there. We have to wait for all the fish to spawn and get out of the way before digging. There was discussion regarding the species of trees that would be planted.

GR2-04 – Water Storage Piggyback – ND Natural Resources Trust - \$300,000 - Directive C Presentation made by Mr. Terry Allbee. (Slides are available in the Commission files.) He gave a background on the ND Natural Resources Trust which started in 1986 and was called the ND Wetlands Trust until 2000. He said this project would provide a piggyback option for landowners who enter into existing water storage programs in the state. It will provide participants with fair compensation for the loss of the agriculture production from the lands that would be inundated by the water. Their payments would be calculated on surface acres, a rental payment and the agreement length. The length of the agreements would never exceed twenty years, by statute of the Outdoor Heritage Fund. He gave an example of how it would work. He said 100 percent of the OHF would go to landowners plus \$75,000 of Natural Resources Trust dollars would go to landowners - this would help with flood reduction, water quality and wildlife habitat.

In response to a question if there are any programs other than the Wetlands Reserve Program and Water Bank they would piggyback on or it is just those two, Mr. Allbee said that is an interesting question. There is a pretty diverse list of organizations and groups that do water storage across the state – State Water Commission, local water boards, nongovernmental organizations, nonprofits who do water storage/restoration type projects, a whole host of organizations. His goal would be to contact as many of those as possible, make this information available to them so we could work together, we could partnership. It is a layering approach. In response to a question regarding whether they would pay per acre on water storage where some of the other programs might create a wetland but they don't pay for anything beyond that, Mr. Allbee said that is correct, they would pay for the dirt work part or construction costs which is expensive. In response to a question regarding if there was an area in the state he is looking to target, Mr. Allbee said they are statewide right now but obviously, areas where water is on the landscape are higher target rich areas – there are more people that would enter into the program in eastern North Dakota.

In response to a question regarding if these could be used as offset or mitigation like in the Agriculture Department program, Mr. Allbee said they are not directing these payments towards mitigation although they are not limiting them from being used in the right circumstance. It would be looked at on a case by

case basis. In response to a question regarding if they did offer them for mitigation could it possibly extend beyond the twenty years, Mr. Allbee said he is not versed in all the mitigation requirements of the state but he could say that if they offered Outdoor Heritage Fund with the Water Storage Piggyback Program, they would only do twenty years' worth.

In response to a question regarding him saying \$300,000 is for twenty years – Mr. Allbee said surface acre, rental payment and length of contract would not have to be twenty years--generally they would be five or ten year contracts - depending on the program they are partnering with. In response to a question he noted that they would like to tie their agreement to another agreement.

In response to a question regarding if there was any precedent or experience with this idea or is it a new idea, Mr. Allbee said they did versions of this back in late 90's when CRP general signups were real active so there is some history there with our organization from doing this very same program and that was very successful back then and we would like to take it, broaden it and provide it throughout the state.

In response to a question regarding if all the payments were made up front, Mr. Allbee said they are upfront payments, yes.

In response to a question regarding with all the other water storage programs are we duplicating efforts here or is there really a need to enhance water storage capabilities, Mr. Allbee said this would actually incentivize landowners to enter into those programs. They get to choose what program, this is all voluntary – they would choose which program they want to enter into, they can find the best fit for that producer. Our program, because it would layer on there, it would incentivize them to enter into that program.

In response to a question regarding if there is anything that ties these to being open to access, Mr. Allbee said there is not. It would just be dependent on the program that the landowner would choose. If it is a program that has that access component to it in addition to that, then yes. In response to a question regarding if the Wetlands Reserve Program or the Water Bank Program require access, the answer was it does not.

GR2-023 - Conservation of Grasslands and Long-billed Curlews on Private Lands in SW North Dakota - American Bird Conservancy - \$29,322 - Directive C Presentation made by Mr. Daniel Casey. (Slides are available in the Commission files.) He pointed out a couple corrections in the copy the Board had. They mentioned dates twice in the proposal, page four it says October 2013 which is a typo and page seven it says September 2014 and both should say March 2015 – we actually have money for staffing for this position through March 2015 so they want to allow for the maximum flexibility in the deliverables, timing wise. Page eight has a cost figure that is – that is just the fencing cost, it should be the entire cost which is \$29,322 and the budget is complete where it is mentioned on page eight is an error as well. They are entering a new phase in the project and OHF money would help to accelerate delivery. In response to a question regarding what the nesting period is for the Curlews, Mr. Casey said they come back as early as late March in this part of the world and start to initiate their territories in April so right now, they are laying in early May and are off the nests by mid-June.

GR2-021 - Partnering with ND Producers to Promote Profitable Agriculture with Wildlife Benefits - Ducks Unlimited, Inc. - \$710,400 - Directive B - Presentation made by Mr. Steven Dvorak. (Slides are available in the Commission files.) In response to a question regarding if they were fully funded, how many acres would it cover, Mr. Dvorak said the high priority counties they would target six producers each year and 160 acres maximum and the other eighteen lower priority counties, they would target three producers in each of those counties and 160 acres maximum – if fully funded with full participation you are looking at 24,000 acres and 150 producers.

In response to a question regarding the contract offered to the producer, Mr. Dvorak stated any individual producer has one opportunity (or can only benefit from this program one year). In order to qualify the producer has to have 160 acres more than the average of the producer's previous three years and contractor agents would confirm that. Once the producer has delivered on their intentions and actually planted the increase in acres and the contacting agent confirms that those acres were planted, Ducks Unlimited would cut the check. The producer would have gone through the process of understanding the crop, how to manage it, and made some key management decisions and considerations that need to be taken when raising winter wheat to do it properly. It is really important that the education element be a part of this.

In response to a question regarding if they are targeting producers or is it first come first serve, Mr. Dvorak said the only targeting is how they prioritize the counties. The contracting agents will most likely be soil conservation district personnel. They are going to lean on them heavily to set up their own criteria and first come first serve seems to be the fair way but if they have some argument for a different approach, he will consider that. His suggestion is first come, first serve.

In response to a question to Mr. Wogsland regarding how this would fly with North Dakota producers, Mr. Wogsland said he didn't think it would. He did not think the incentive was high enough for a farmer to switch from corn to winter wheat. He said another key factor is the weather.

Mr. Moser and Mr. Dvorak discussed various aspects of the budget -- how the match component was determined, the costs for project management and indirect costs.

Mr. Moser noted that the applicant states one of the goals of the project is education to a new class of producers on cutting edge practices. He asked what they were going to educate the producers on. Mr. Dvorak said the rest of their project involves field research with winter wheat – they have trials from Crosby all the way down into South Dakota where they are doing variety research as well as agronomic research and it is their findings and understanding of new varieties and how to manage them, fertility and multiple other things they would provide to the producers. It is the cutting edge and the latest information. He noted, however, that a lot of the things they would educate the producers on has not changed since the beginning of this effort – how to intensively manage winter wheat and produce it successfully. It hasn't changed a lot but a number of the producers don't know what those things are until they are taught – they think well I planted wheat and wheat is wheat – well spring wheat is not winter wheat they are different approaches that need to be considered.

GR2-022 - North Dakota Pollinator Partnership - Pheasants Forever, Inc. - \$173,750 - Directive B - The presentation was made by Ms. Rachel Bush, Matthew Olson and Ryan Heiniger. (Slides are available in the Commission files.)

In response to a question regarding what the cost per acre for seed is to put these forbs and everything into the land, Mr. Olson said it is calculated at about \$180.00 per acre. If you realize the length of these contracts and break it down, the number roughly breaks down to about \$5.00 per acre per year.

In response to a question regarding how many pounds per acre they put on, Ms. Bush said it varies because they are trying to piggyback with the Wetland Reserve Program – we are going to be held to the standards and specifications that NRCS has. There are some variances but she did not want to venture a number but they will be following the standards and specifications put out by NRCS.

In response to a question regarding what is required in each contract Mr. Olson stated that will basically depend on the producer – through a compatible use agreement we can only do about ten percent of it at a time if we were to re-enhance a whole piece, but as far as the new ones, we would be trying to do that across the upland acres that would be able to be planted.

GR2-026 - Little Missouri Grazing Association Noxious/Invasive Weed Control - Little Missouri Grazing Association - \$1,750,000 - Directive B. The presentation was made by Ms. Maxine Rasmussen and Brain Gerbig. (Handouts are available in the Commission files.)

In response to a question regarding whether the \$50,000 of federal funds is used for weed control on just the one mile-buffer or “good neighbor buffer”, Mr. Gerbig said because of limited funds they have to limit it to two-man hours of spraying. In response to a question regarding if the Forest Service takes care of the weeds on their property, Mr. Gerbig said no. The \$50,000 is what the Association gets to utilize on the federal lands and buffer zone.

In response to a question regarding if they have any access to oil impact funds or anything like that, Mr. Gerbig said they have not pursued that.

In response to a question regarding the percentage of participation with ranchers in the group on spraying Mr. Gerbig said there are members that are apathetic and some that are getting older and can't do as much anymore. On the federal land the Association can step in and have it sprayed - on the private land, it is more difficult to do that because of liability and things like that. We are trying to become more proactive. It used to be the federal money – there were no out of pocket costs to the rancher – we have changed that as a Board where now they are going to either have to provide in-kind services worth 25 percent or cash.

In response to a question regarding what kind of feedback they got from the local County Weed Board and County Commissioners, Mr. Gerbig said four years ago the Board requested a meeting with the County Weed Board to try to get a cooperative program going and had zero luck. We, as a board of directors, are attempting to do what he feels the County Weed Board should be doing. If we don't do something, nobody else will do it.

In response to a question regarding how much funding is raised through their mill levy for weed control, Mr. Gerbig said he was told \$16,000, it doesn't sound like a lot, but he was not sure.

In response to a question regarding partial funding and reducing acres or shortening the time frame and with that would he be able to do some evaluation and come back in the future and say they were successful in doing this and seek additional funding, Mr. Gerbig said yes. They would utilize it as far as they could, not unlike what they are doing right now. Now what is happening is they might treat a given allotment in year one and may not get back to it until year four and you are not gaining ground that way. Most of their problems are along tributaries of the Little Missouri River, major drainage is coming into the Little Missouri. Any time you have that along those stream corridors, noxious weed movement is aggressive. All of their activity would be the same activity that is required on the federal lands.

Upon completion of hearing all the presentations, Chairman Moser opened the meeting for public comment on any of the projects. No comments were made.

Following a fifteen minute break Chairman Moser reconvened the Outdoor Heritage Fund Board meeting.

The Board completed and compiled the scoring, ranking and funding sheets as they reviewed each of the applications.

Prior to taking up the first application, the Board had a general discussion on what should be funded under Directive D. The following points were made:

- Shouldn't there be a component of the project that conserves some natural area?
- Should maintenance of existing parks be allowed?
- This is the directive where the Legislature indicated that outdoor recreation be funded.

- The scoring of the project could reflect whether the applicant has met all the points that a Board member wants to see in an application -- if the applicant has a component that conserves some natural area it would score higher.
- Public access should be a factor in scoring a project
- The data in the State Comprehensive Outdoor Recreation Plan shows that one of the biggest needs in the state is the renovation or the replacement of public playgrounds. Public playgrounds, trails and campsites are the biggest needs across the state.
- Part of the State's outdoor heritage is connecting with both adults and kids whether it is through hunting, fishing or walking on a trail or providing facilities so children can play outdoors. Parks have been around for 50 years. Our grandparents wanted there to be places for their children to be able to play and enjoy the outdoors.
- Scoring of a project could also include how much match a community is providing.
- If the Outdoor Heritage Fund isn't the place for funding these types of projects is the State providing some funding elsewhere? There is some funding in the Parks and Recreation budget but there aren't enough funds for all the projects across the state so they are coming to this Fund.
- It is important that outdoor opportunities are made available to children.
- This Fund isn't a program for funds to maintain existing facilities. However, some of these projects are for replacement of facilities because the facilities are 20 years old and they are beyond maintenance and need to be replaced.
- This is not the time to narrow the scope of the Fund--when this legislation was being developed there was to be a component for parks and recreation.

GR2-01 – Maercklein Park Basketball Court - Mott Park District - \$29,312 - Directive D

GR2-06 – Equip the Menoken 4-H Picnic Park Mutual Aid Corporation with Accessible Bathrooms and Update the Electrical Infrastructure - Menoken 4-H Picnic Park Mutual Aid Corporation Board of Directors - \$20,648 It was noted that it wasn't clear why Burleigh County isn't providing funding for this Park and specifically for this project.

GR2-09 - Centennial Park Woodland Trail and Souris River Recreational Access Plan - Minot Park District Foundation - \$551,000. It was noted that this project is restoring a natural area. The applicants have put together a good master plan. There was support expressed for this project although there were concerns about the level of match funding being at 13%. It was suggested that timing might be a reason why the match was limited and when the park district's budget had been approved. It was further suggested that funding it in phases may be the way to go although it was stated that having a fully completed project would show what can be done with funding from this program. Comments were made on the level of funding that the program has available and whether we should fully fund this project with the funding that is available. It was noted that the applicant had taken the suggestions the Board had made on their first application and made adjustments to their application. They were responsive to what the Board had stated during the earlier grant round. It was noted that there were some items in the project such as paving and administrative costs that previously had not been funded by the Board but the amounts were small. Mr. Moser stated that if a Board member wanted to fund the entire project they should note that in their funding level and if they wanted to fund only Phase 1 then they should reflect that funding level.

GR2-020 - Lake Tschida Playground - Tri-Cities Joint JDA - \$48,989. No comments

GR2-05 – City of Munich Playground Equipment Fund – City of Munich - \$45,000. It was noted that although this project didn't have a conservation of a natural area it would give children in that community a place to play in the outdoors. There was also strong community financial support.

GR2-024 - Sleepy Hollow Preservation and Renewal - Sleepy Hollow Arts Park - \$295,29. There was discussion about the strong community support for this park and it would enhance the outdoor experience. Suggestion was made to fund only the tree planting and not the sloping of the land or the pergolas/buildings, stage construction, etc. Comments were made that we suggest to the applicant that they work with the Soil Conservation Service and come back with competitive numbers for the costs of the tree planting and get additional advice on the right species of trees to be planted.

GR2-025 - Beulah Bay Campground Expansion and Conservation Project - Beulah Park District - \$53,212. There was discussion of not paying for picnic tables which are more mobile. It was noted that contingencies could be put on the grant stating what the monies could be used for.

GR2-018 - Hankinson Park District Restroom Replacement Project - Hankinson Park District - \$19,250 - Directive D - No comments.

GR2-019 - TMBCI Sky Chief Park Educational Stewardship Lodge - Turtle Mountain Band of Chippewa Indians - \$60,000 - Directive D. Concerns were expressed about funding a building.

GR2-08 - Norsemen Outdoor Education Center - Norsemen Archers, Inc. - \$220,781. Support was expressed for archery programs but it was suggested that there are other funding sources that should be approached first. There was discussion on whether the dollars in the Outdoor Heritage Fund should be used for multi-purpose buildings. There was support expressed for funding this building as well as the prior application because they would provide a location for educating North Dakotans both young and old about the outdoors, conservation, recreation opportunities, etc. The teaching about our great outdoors and how to experience it is also important. Mr. Steinwand noted that the Game and Fish Department would not have funding available for a building as this was proposed. It was noted that in the first round the Board would only fund things that were outside and not a building. Mr. Moser stated that this topic may need more discussion so there is a consensus on what we tell potential applicants about the Board's position on the funding of buildings.

GR2-015 - North Dakota 4-H Camp - North Dakota 4-H Foundation - \$18,768 - Directive D. No comments.

GR2-016 - Downtown River Access for Grand Forks Greenway - City of Grand Forks- \$75,000 - Directive D. Support was expressed for the project--provides an opportunity for the public--young and old--to get outside and enjoy the river. It was stated that the City of Grand Forks is in support of this project. There was discussion on who would actually be in control of the project and it was indicated that the Greenway Committee is responsible for all the trails in the greenway and they would be in charge of the project. The non-profit group would be responsible for the boathouse and they have an agreement with the Greenway Committee. There was discussion about accessibility to the boat house and to the river in general. It was stated that East Grand Forks does have public access to the river and there is a Minnesota state park right on the river on the east side but not in North Dakota.

GR2-012 - Northern Cass Pass - Hunter/Arthur JPA Park Board - \$138,876. In response to a question Mr. Zimmerman stated that the TAP program is a federally funded program that is managed by the Department of Transportation. TAP stands for Transportation Alternative Program. There is limited funding that is awarded once a year -- they generally have three times the amount of requests for the amount of funding available.

Support was expressed for this project although it was indicated that this is an aggressive project. There were questions about it being a nature trail prior to being paved and whether that was possible with the ballast that is currently on the ground. References were made to the national Rails to Trails program and the trails that have been done in South Dakota and Minnesota. The South Dakota trail had the ballast removed and then smaller aggregate installed. North Dakota Parks and Recreation is paying for the

planking on the bridges that are part of this trail to make sure that the bridges are safe. There was a question about whether the applicants would be back asking for more money and perhaps asking for the Outdoor Heritage Fund to pay for the paving of the trail.

GR2-03 - Bald Hill Creek Watershed Project - Griggs County Soil Conservation District - \$300,000 - Directive B. - In response to a question on what is the producer's responsibility in regards to these watershed projects and stopping the flow of manure into the state's waters, Mr. Moser gave some background on what created these situations and the producers cost share. He stated in most cases the location of these livestock operations goes back to when the operations were homesteaded -- these are inherited problems. These locations were established before regulations were even thought about and there was an understanding on the impact on the waters. What the EPA and the Health Department are trying to do is help get these issues resolved before they have to put these individuals out of business--trying to find a solution to a problem that has been there for a long time. Under the 319 Program the producers will have to provide 40% of the cost. Mr. Moser stated these producers need to get involved in implementing these best practices and fixing these problems now or EPA will have no choice but to regulate them and they will be closed down. Mr. Moser stated that he believed the 40% level was the appropriate level of funding that the producer should provide. He was concerned about the applications coming before the Board that would reduce that amount of participation. There was discussion on how to implement that 40% requirement so the Board was consistent on all the projects. Should there be a general statement by the Board or should it be done on a case by case basis. It was noted that this particular project didn't involve livestock waste or buydown the producer participation below the 40% level. It was suggested that the Board make a statement on this point because it may impact how Board members would allocate funding for these 319 projects.

It was stated that the Board needs to remember that the overall goal of these 319 projects is to improve water quality--clearly something everyone would want to see happen. It was noted that it is important that the best management practices be in place and maintained once the funding has been provided.

There was some discussion about whether the Board should be getting more detail about how many of these projects are taking place in a county; how much funding has already been provided from other sources; what best practices are being implemented and how is the applicant assured that those practices will continue, etc.

In response to a question, Mr. Moser stated that under the 319 Program there is a maximum dollar amount that would be provided of \$175,000. Mr. Moser also indicated that the best management practices are improving every year--creative ways are being developed to solve these problems.

It was stated that these are important projects and they are working. Mr. Kuylen gave an example that previously operators were feeding cattle on the ice. That is no longer being done. The 319 Program is stringent in how they manage these projects and are resulting in healthy ecosystems that are good for everyone. He stated that producers should be paying a share of the costs. There was support for a producer share of 40% and it was noted that the Outdoor Heritage Fund dollars were being leveraged with 319 dollars. It was good for both programs.

GR2-011 - Stutsman County Manure Management Project - Stutsman County Soil Conservation District - \$800,000 - Directive B. It was noted that there is a higher cost for implementing manure management programs on livestock feedlots--costs for these improvements/lagoons on average are \$400,000. Discussion was that there should be a producer cost share of 40% with the \$175,000 maximum per facility. That is consistent with EPA, or NRCS or Health Department/319 Program limits.

A question was raised as to whether the Board should take into consideration whether Outdoor Heritage Fund matching dollars should be used on existing 319 Programs that have a track record of success or on new 319 Programs where the applicant hasn't identified which projects will be selected for funding. It

was noted that it may be hard for this Board to judge at what time in the life of a watershed project Outdoor Heritage Fund dollars should be provided.

In response to a question, Mr. Moser stated that he thought the Board would be seeing a lot of these applications.

It was determined that rather than waiting later in the meeting to have the discussion on the 319 Program item, the Board take up the issue now while they are looking at 319 projects.

Mr. Moser stated that similar to what the Board did the first round with the Game and Fish Department PLOTS program and the Soil Conservation Board tree planting program, the Health Department be encouraged to submit an application for some level of funding to deal with water quality projects. Rather than duplicating effort between the Outdoor Heritage Fund and the Health Department the Outdoor Heritage Fund would consider a funding request from the Health Department. He noted that the Health Department has seen a \$1,000,000 reduction in EPA funding for the 319 Program in the past few years. The Health Department would deal with the projects and then report to the Board/Commission. This would be for future projects. He noted that the Health Department 319 Program has 100% of their dollars going for Best Management Practices--319 funding isn't used to reduce producer cost share. He stated that it would eliminate a number of grant proposals although the Board would be losing some control over where the Outdoor Heritage Fund dollars would be directed. If the Health Department did bring in an application the Board could put some stipulations on how those dollars are awarded. A key would be the elimination of duplication of effort.

The Board discussed various aspects of this suggestion:

- Like the idea of reducing the paperwork and eliminating the establishment of two programs doing the same thing.
- Would eliminate the applications that are seeking funding to reduce the producers share on 319 programs.
- The Health Department does a great job of administering the 319 Program -- they are very diligent in overseeing the program.
- Provides consistency for water quality projects.
- Health Department has a more "global" view of what needs to be done.
- Would be giving up some local awareness and recognition of the Outdoor Heritage Fund although it was suggested that the Health Department could be directed to make the individuals aware of where the funding came from for their grant.
- Health Department would be setting the priorities, although the Board could put stipulations on how the Outdoor Heritage Fund dollars should be used and target the projects the Board feels should be given priority.
- The Health Department right now is focused on waste management but has begun to direct its attention to other best management practices.
- Would this eliminate the Board seeing any water quality projects? Probably not because those water quality projects that didn't get 319 Program funding would still be coming to the Outdoor Heritage Fund. There are a lot of good projects that need to be done and the 319 Program even with additional funding won't have enough dollars to get them all done.
- The Legislature said water quality is one of the issues the Board/Commission should be doing so are we fulfilling the wishes of the legislature?
- Reluctance to "punt" away some of the Outdoor Heritage Fund responsibilities -- this program is still new. Not sure if this is the right time to do that.
- Perhaps the Board should tighten up its standards regarding the 319 projects -- establish the 60/40 match requirement, set the maximum dollar amount allowed for the livestock management projects and then it would be clear to everyone submitting applications that is what the Board is willing to consider.

- There is a risk that if the federal government found out the State was providing funding for 319 Program projects, then the federal monies will be reduced even further.

It was moved by Mr. Reierson and seconded by Dr. Hutchens to encourage the Health Department to submit a grant application for the funding of 319 projects.

On a roll call vote J. Godfread, Hutchens, Moser and Reierson voted aye and Bina, C. Godfread, Hoffman, Kuylen, Melchior, Stockdill, and Wogsland voted nay with Mr. Aasmundstad absent and not voting. The motion failed.

GR2-07 Red River Riparian Project - Red River Regional Council - \$230,000 - Directive B. Ms. Godfread expressed her support for this project. She noted that the banks in that area have serious erosion issues and the farmers will get little value from restoring the riverbanks so maybe there is a reason to provide funding to reduce the producers' costs. Restoring river banks in this area would also be beneficial to wildlife.

GR2-17 - Turtle Creek Watershed Project Water & Habitat Initiative - South McLean County Soil Conservation District - \$138,000 - Directive B. No comments.

GR2-014 - Blacktail Dam Association - Blacktail Dam Association - \$75,000 - Directive A - Support for the project was indicated -- this is definitely an area that has been impacted by oil development. It is important that the lift station get funded. In response to a question of whether \$40,000 is the right amount for the docks, Mr. Steinwand said yes. He stated that the applicant had not requested funding for fishing piers from the Game and Fish Department earlier in the year. It was noted that the Game and Fish Department had funded a fishing pier in 1996 and another one in 2008. Docks are supposed to last 25 years. Very limited documentation was provided - where did they get their figures? It was suggested that the Outdoor Heritage Fund staff would need to make sure that the matching funds were there before awarding funding. Mr. Reierson indicated that he was supportive of funding the lift stations and the trees and to suggest to the Association that they seek funding from the Game and Fish Department for the fishing piers. They could come back to this group if they are unable to get the funding from Game and Fish or other sources.

Ms. Fine asked the Board for some clarification on what their expectations were regarding the match funding. Does the applicant need to have the entire amount of match funding up front or just at the time disbursements are made of Outdoor Heritage Fund dollars? Mr. Moser indicated that there needed to be more detail when an applicant comes before the Board showing that they have a commitment of match funding. This particular application was very vague about where they would be getting their matching funds. It was indicated that the match funding should be secured at whatever amount they stated in their application -- whether it is 25% or 18%. If we are approving funding based on the amount of match funding then we need to be assured that the match dollars are there. It was suggested that it might be a burden to have all the match funding upfront because the applicant isn't always sure how much the Board will be funding. It was suggested that when the funds are disbursed the applicant needs to demonstrate that they have their match funding.

GR2 - 10 Prairie Project - United Prairie Foundation Inc. - \$640,000 - Directive A. - Ms. Godfread indicated that forb seed is expensive so if the costs can be reduced for parks, Game and Fish Department, it would be a good thing. It was noted that this would be beneficial to some of the other applicants that have been awarded Outdoor Heritage Fund dollars--would lower the costs for native plants and grasses. Comments were made about whether this project would be sustainable; how it would cash flow; how it works with the PLOTS program; who would be doing the leasing of the land if Game and Fish is not doing it; who would be receiving the land rents--private landowners, etc. It was noted that the applicant is very passionate about this project and he has a number of volunteers to help him. A question was raised about his using PLOTS land as his match funding. That did not appear to be appropriate when the

Outdoor Heritage Fund is also providing monies to the PLOTS program--it gives the impression that Outdoor Heritage Fund dollars are matching Outdoor Heritage Fund dollars.

GR2-013 - Pheasant Lake Fishing Access/Shoreline Restoration Project - Dickey County Park Board - \$21,250 - Directive A. Mr. Steinwand pointed out that the Game and Fish Department would not be supervising the construction of this project. The Department may provide some technical assistance but would not be supervising the construction. It was pointed out that there is \$600 included in the application for county park board employees--is that the same as staffing? That may be an item for discussion if they are awarded funding.

GR2-02 - South Golden Lake Inlet Beautification Project - Golden Lake Improvement Association - \$67,342 - Directive C - In response to a question Mr. Steinwand stated they would not need a 404 permit. Also they reduced their funding request by \$10,000.

GR2 04 - Water Storage Piggyback - ND Natural Resources Trust - \$300,000 - Directive C - Mr. Steinwand said this is similar to what had been done on CRP acres back in the 1990's. He considers this to be more of an enhancement -- it is similar to 319 projects.

GR2 - 023 - Conservation of Grasslands and Long-billed Curlews on Private Lands in SW North Dakota - American Bird Conservancy - \$29,322 - Directive C - In response to a question it was clarified that this application was for a lesser amount than what they had submitted in the first grant round because they took out those items that the Board said they would not fund such as salaries. Ms. Godfreed stated her support for this project and noted that the bird population in that area is declining and she hoped the Board would be proactive in reversing that trend with something that is compatible with grazing. Mr. Steinwand stated that he too felt it was important to be proactive and this would also be beneficial to other bird species.

GR2 - 021 - Partnering with ND Producers to Promote Profitable Agriculture with Wildlife Benefits - Ducks Unlimited, Inc. - \$710,400 - Directive B - Dr. Hutchens noted that there had been some questions raised about the hourly costs and whether it was enough of an incentive but this type of habitat is one of the few things that can be done in the heavily farmed portions of the state. He hoped there could be funding at some level. It was stated that the success of this program would be based on weather and the markets--didn't think it would work.

GR2 - 022 - North Dakota Pollinator Partnership - Pheasants Forever, Inc. - \$173,750 - Directive B - Ms. Stockdill stated her support for this project and she thought there were some partnerships that could be developed with other entities and this would be the start of more good things to come. Mr. Steinwand also stated his support--it adds value to the acreage and it is good for wildlife.

GR2 - 026 - Little Missouri Grazing Association Noxious/Invasive Weed Control - Little Missouri Grazing Association - \$1,750,000 - Directive B - It was stated that the weed problem in the western part of the state is terrible. However, if the Board would fund this application would it be inundated with applications from across the state? Response was yes. There were comments that landowners are required by law to spray their noxious weeds. The government is also not doing their part when they don't have the spraying done on federal lands. Everyone needs to be dealing with the weeds on their lands--that is their responsibility. A suggestion was made that they come back with a funding request for a lesser amount or do a phased program where the Board could see results before they fund the next phase. This falls in the category of annual maintenance.

Mr. Moser asked the Board to complete the Ranking Sheets for the compilation of proposed funding awards. Each Board member handed in their funding pages and the results were compiled while the Board continued the meeting. Those applications that had six or more zero funding would be identified. Mr.

Moser indicated that any Board member could ask that an application be pulled off that list and voted on separately.

Ms. Fine announced the conflicts of interest as follows: Mr. Moser's conflict with the 4-H Camp, Ms. Stockdill's conflict with the ND Pollinator Partnership and Mr. Bina's conflict with the Sleepy Hollow project.

Mr. Moser discussed scheduling of the next meeting date possibly mid-September. He noted that the next grant round application deadline is August 1. After discussion it was decided that September 5 would be the next meeting date.

Ms. Fine gave a summary report on Grant Round 1 Projects. (The attachment is available in the Commission files.) She said eighteen projects were recommended to the Industrial Commission and seventeen were acted on with one being tabled because there were ongoing discussions with Conoco Phillips regarding the Little Missouri State Park which is still on the table for the Industrial Commission to take up when the time is right.

Mr. Zimmerman updated the Board on the application. He said at this time the Department is still in discussion with Conoco Phillips. They are having some issues with the landowner who has concerns now with the special places initiative. That is impacting how the trails could be redone. The Department is going to do some trail work. We are just going to have to get around that road (a bypass) that Conoco Phillips has in and Conoco Phillips has agreed to help the Department with that project. That will be funded from other funds outside of the Outdoor Heritage Fund dollars.

Mr. Hoffman said he had gone to the site and the trails have to be moved because of the oil well and road. He will continue to work with the oil company on this matter.

Mr. Zimmerman said Conoco Phillips had about 35 people out to the Little Missouri State Park and they did a good day's worth of work. There was a good discussion between the Park staff and the oil operator. The operator indicated a willingness to work with the Parks and Recreation Department in helping with the relocation of the trail but right now they are waiting to hear what the private landowner wants to do. He feels Conoco Phillips is willing to help. He would respectfully withdraw the project from consideration by the Industrial Commission. It was noted that if the issues with the private landowner are resolved and there is still a need for funding from the State, the Parks and Recreation Department will bring back another application to the Outdoor Heritage Fund. It was clarified that the dollar amount that had been awarded was \$73,000.

It was moved by Mr. Godfread and seconded by Mr. Bina to withdraw the application titled "Recreational Trail Reconstruction in Response to Mineral Development at Little Missouri State Park" from Grant Round One. On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reiersen, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Bina updated the Board on the Bismarck Trailhead Project Neighborhood Park. He stated that the Park District has been able to secure private funding to help complete the project so they will be able to complete the project as planned without any additional funds from the Outdoor Heritage Fund. This is, of course, dependent on how the bids come in but as of right now they are proceeding with the original design.

Mr. Moser stated the summaries on the Grant Round One projects are provided and stated he was disappointed that they did not have everything signed, sealed and delivered. He indicated that he was hopeful that the contracts get signed and projects get on the ground.

The Board discussed the proposed logo for the Outdoor Heritage Fund. Mr. Moser thanked Mr. Steinwand and his staff for designing the different options for consideration.

The Board members commented on the various designs--what they liked and why they liked one over the other. Ms. Stockdill noted that one of the logos is very similar to the Outdoor Writers Association of America logo. A picture of the Outdoor Writers Association of America logo was looked at.

After further discussion, it was moved by Mr. Hoffman and seconded by Ms. Godfread that the top left logo be adopted as follows:



Board members Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reieron, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Because of access issues of getting to a printer, the summary of the vote was posted on the wall and not available in hard copy. The Board took a few minutes to view what was on the wall to make sure that their funding amounts had been correctly stated.

While waiting for copies to be made at another location, the Board discussed the recommended revisions to the application and budget forms.

Ms. Fine said the proposed changes are highlighted in yellow. The proposed changes are:

- The application should be no more than fifteen pages exclusive of the budget form and detail.
- Including a specific point on project duration because even though we request it under the abstract section, applicants aren't providing that information in their applications.
- Including the language on partnership recognition.
- Revision to the budget form to include a totals column.

It was moved by Mr. Reieron and seconded by Mr. Hoffman to accept the recommended changes to the application form and budget form as presented. On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reieron, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser asked for general discussion by the Board regarding expectations. Three questions that he has listed earlier in the meeting were:

- What kind of projects are the Board members looking for?
- What would the Board like to see some group, organization, entity bring forward for funding?
- Based on what you have seen so far in the applications is there anything else or more detail you would like to see in the grant applications?

Dr. Hutchens commented on a program that had been done in South Dakota where school children had done tree plantings on Corps of Engineers lands. South Dakota now has miles and miles of trees on public lands. Ms. Vetsch noted that tree plantings can be done on Corps lands in North Dakota. Currently the Corps staff comes to the local soil conservation district or vender of their choice and then the Corps usually pays for the cost of the tree planting. It is being done but probably not as aggressive as

has been done in South Dakota. She indicated that there might be a need for the local soil conservation districts to reach out to the Corps and let them know the funding is available for wildlife habitat.

Ms. Stockdill gave an example of the work their local Pheasants Forever Chapter is doing with the Corps--in the process of entering into an MOU with the Corps of Engineers.

Mr. Kuylen said he hoped when they got appointed to this Board that there would be a lot of local wildlife clubs putting habitat plots in. FFA, 4-H groups doing projects with trees or different kinds of grasses that they can judge -- go to different areas of the state and judge different kinds of grasses that are native there to teach them that kind of thing. He hoped there would be more local ground swell of clubs that would do little projects instead of just the large projects. He would like to see the locals get involved and donate their time and get some of these projects going. Maybe some farmer would let a tree stand be built on his property by an FFA or 4-H club so that a handicapped guy in a wheelchair could go up and deer hunt. Projects like that would have been value and generate more wildlife hunting opportunities for young people, etc.

There was discussion about the work that was going to be done by the individual hired by the North Dakota Petroleum Council to assist the wildlife clubs and different organizations in writing their grant applications. It was going to take some time for this effort to get going. Mr. Steinwand said one of the issues is very few, if any, of the small wildlife groups are tax exempt so they are going to have to partner with their local water board, park board or whatever and do a collaborative project. Putting all that together takes time. Mr. Reiersen said we should send a thank you to the North Dakota Petroleum Council for hiring that person because he thinks that is going to help do what Mr. Kuylen is talking about.

Mr. Reiersen also said we need to do more marketing of the program so it is understood that this program isn't just for major projects but is also available for smaller projects. We need to do more marketing. Ms. Stockdill agreed as she was aware of someone that missed submitting an application for the second grant round. Suggestion was made to do a news release a month prior to each grant round submission deadline.

Mr. Reiersen asked if we could develop an email list of organizations like NDBA, United Sportsmen and send it to their main representatives or directors if they have one and ask them to send it out to all their members then at least you would have some pretty broad reach without spending a lot of money to do it.

Ms. Fine stated we sent out a letter with an initial list when we started and some of the organizations just got the letter and they sent it out to their members because they didn't want to provide us with their list.

Mr. Zimmerman stated that news releases sent out to the weekly newspapers get published and that would be great publicity about the Fund. When a project is completed we should do a story about the project, have pictures and some quotes from the applicants. Then include information about the next grant application deadline. He thought those stories would generate interest in the Fund.

Mr. Moser said after he made his presentation at the Industrial Commission meeting, the Governor asked his personal opinion about what items he would like to see and that is what promoted him putting this topic on the agenda. Mr. Moser expressed his hope that some group--small or large--would come forward and identify those CRP tracts that are coming out of CRP and try to make contact with the landowners to encourage them to put grazing systems on and leave them in grass -- not to plow them up. There is a lot of incentive to put high priced crops on those acres but at the same time now with the cattle prices the way they are, there is some incentive to leave it in grass and put in water, cross fences, etc. That was his suggestion.

Mr. Moser continued that one of the things he would like to see in the applications is more focus given to the question about partial funding. What we have been seeing is a standard answer, we will just downsize. He would like to see a priority ranking -- if funding is reduced then this is the top priority and

this is second, etc. Some of the applications are for just one thing but for those that have multiple parts of their project he would like to see some priority rankings.

Mr. Moser also indicated that he would like to see is a little bit more thought going into the budget process--that we receive really good estimates. Also information that shows that they have the matching funds or it is pending or it is solid and what the sources are – some of the applications are lacking in that kind of description in the budget process.

Dr. Hutchens asked if there is a reduction in the number of wildlife clubs from what was in the 1960's. He is seeing less people representing wildlife clubs. Mr. Steinwand responded that he thought there was still well over two hundred. He did note that the average age of the membership in those clubs is older.

In response to a question if the issue Mr. Reiersen had wanted placed on the agenda has been dealt with, Mr. Reiersen said yes. It had been mixed in with the comments on the actions taken by the North Dakota Petroleum Council to hire an individual to help the wildlife groups prepare applications. Mr. Moser said we could draft a thank you letter to the Petroleum Council and send it and maybe issue it as a letter to the editor, something to that effect – without objection, Ms. Fine will do the drafting.

Mr. Moser stated that Dr. Hutchens', Mr. Aasmundstad's and Mr. Bina's one year terms on this Board will expire before the September 5 meeting. It is their organization's responsibility to submit names to the Governor. These individuals are eligible for reappointment so he is not saying this will be their last meeting but he wanted to make sure the appropriate steps were being taken to get the appointments/reappointments made. He indicated that at the next meeting the Board will need to reorganize with election of officers.

Mr. Moser stated that when he made the presentations to the Industrial Commission the three members thanked the Board for their hard work.

Ms. Fine named the projects that received six or more zeros for funding as follows:

1. GR2-01 Maercklein Park Basketball Court - Mott Park District - **8 zeros**
2. GR2-06 Equip the Menoken 4-H Picnic Park Mutual Aid Corporation with accessible bathrooms and update the electrical infrastructure - Menoken 4-H Picnic Park Mutual id Corporation Board of Directors - **7 zeros**
3. GR2-20 Lake Tschida Playground - Tri-Cities Joint JDA - **8 zeros**
4. GR2-24 Sleepy Hollow Preservation and Renewal - SleepyHollow Arts Park - **7 zeros**
5. GR2-18 Hankinson Park District Restroom Replacement Project - Hankinson Park District - **7 zeros**
6. GR2-19 TMBCI Sky Chief Park Educational Stewardship Lodge - Turtle Mountain Band of Chippewa Indians - **7 zeros**
7. GR2-08 Norsemen Outdoor Education Center - Norsemen Archers, Inc. - **6 zeros**
8. GR2-15 North Dakota 4-H Camp -North Dakota 4-H Foundation - **6 zeros**
9. GR2-21 Partnering with ND Producers to Promote Profitable Agriculture with Wildlife Benefits - Ducks Unlimited, Inc. - \$710,400 - **9 zeros**
10. GR2-26 Little Missouri Grazing Association Noxious/Invasive Weed Control - Little Missouri Grazing Association - \$1,750,000 - **8 zeros**

Mr. Moser said there were ten applications that had a majority vote to not fund so it leaves sixteen to handle individually.

Ms. Godfread asked about the two projects with buildings and if we are going to amend the Outdoor Heritage Fund application to state we will not fund buildings – the building applications did not get the needed votes either this time or last time. She wondered if we were misleading applicants by suggesting they submit an application for a building if we are not going to fund buildings. In response Mr. Moser

said he didn't know if two rounds had set enough of a precedent to tell people we won't fund buildings or is there a project out there that would merit funding – he didn't know.

Mr. Hoffman said he didn't support funding for the two applications this round but if something comes up such as a trap club that needed to have something, he would be for that because that involves being outdoors. The archery project was close. There may be projects with buildings that he would support. Mr. Reiersen said he is against hard lines because there is always a great exception but could we say something like generally buildings will not be approved unless there are exceptional circumstances and it would be the applicant's decision to submit an application. Mr. Moser said we have had a little discussion on that before and the applicant has said what do you mean – what is an exceptional circumstance? If we say no – people will not apply.

Mr. Godfread said he would be comfortable saying something along the line of we are not funding bathrooms because that is something consistent. In regards to the archery club--he understands the point about the education application--there is room for some of these projects and he still advocates for the archery center as a way to get kids out into the outdoors and encourage that kind of activity.

Mr. Moser asked if any of the Board members wanted any of those ten identified projects pulled for a separate vote. Mr. Wogsland requested that the two building projects - Applications GR2-19 and GR2-08 - be pulled off the list and voted on separately.

It was moved by Mr. Melchior and seconded by Mr. Bina that the following 8 applications not be recommended to the Industrial Commission for Grant Round 2 funding:

- 1. GR2-01 Maercklein Park Basketball Court - Mott Park District - \$29,312**
- 2. GR2-06 Equip the Menoken 4-H Picnic Park Mutual Aid Corporation with accessible bathrooms and update the electrical infrastructure - Menoken 4-H Picnic Park Mutual Aid Corporation Board of Directors - \$20,648.**
- 3. GR2-20 Lake Tschida Playground - Tri-Cities Joint JDA - \$48,989**
- 4. GR2-24 Sleepy Hollow Preservation and Renewal - SleepyHollow Arts Park - \$295,291**
- 5. GR2-18 Hankinson Park District Restroom Replacement Project - Hankinson Park District - \$19,250**
- 6. GR2-15 North Dakota 4-H Camp -North Dakota 4-H Foundation - \$18,768**
- 7. GR2-21 Partnering with ND Producers to Promote Profitable Agriculture with Wildlife Benefits - Ducks Unlimited, Inc. - \$710,400**
- 8. GR2-26 Little Missouri Grazing Association Noxious/Invasive Weed Control - Little Missouri Grazing Association - \$1,750,000**

Dr. Hutchens asked if the suggestions made by the Board when discussing the applications would be relayed to the applicants who did not receive funding. Ms. Fine stated last time she sent a letter back to the applicant that said they did not receive funding, here is the vote and here are some suggestions that came from the Board. She will do that again this round.

On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reiersen, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser called for discussion on each of the remaining applications and a vote beginning with Application GR2-09 -- Centennial Park Woodland Trail and Souris River Recreational Access Plan submitted by the Minot Park District Foundation. There was discussion on the level of funding. It was determined that Phase 1 of the project was \$353,000. If a portion of the match funding was applied to that total the amount of funding from the Outdoor Heritage Fund would be \$305,000.

It was moved by Ms. Godfread and seconded by Mr. Hoffman that the Centennial Park Woodland Trail and Souris River Recreational Access Plan application submitted by the Minot Park District Foundation be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$305,000 (Application GR2-09). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reiersen, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-05 -- City of Munich Playground Equipment Fund submitted by the City of Munich. It was indicated that one of the reasons for providing funding for this project is the significant amount of match funding that has been raised.

It was moved by Mr. Kuylen and seconded by Mr. Bina that the City of Munich Playground Equipment Fund application submitted by the City of Munich be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$45,000 (Application Gr2-05). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Moser, and Wogsland voted aye and Melchior, Reiersen and Stockdill voting nay with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-25 -- Beulah Bay Campground Expansion and Conservation Project submitted by the Beulah Park District. Mr. Melchior said for funding he left the trees and camping spots in and took out the picnic tables and it came to \$42,120. In response to the question of taking out the picnic tables, Mr. Melchior said he considered the picnic tables to be equipment.

It was moved by Mr. Kuylen and seconded by Dr. Hutchens that the Beulah Bay Campground Expansion and Conservation Project application submitted by the Beulah Park District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$42,120 with the stipulation no Outdoor Heritage Fund dollars be expended for picnic tables (Application GR2-25). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reiersen, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-19-- TMBCI Sky Chief Park Educational Stewardship Lodge submitted by the Turtle Mountain Band of Chippewa Indians.

Mr. Wogsland said in both of these projects involving buildings the arguments are the same. He thinks the case was made by both groups as to the need and necessity as well as the use of the facilities and it is a good thing and he thinks it falls in line with what we are doing today.

Mr. Godfread said it is important to point out that one of the entities that the Legislature indicated was eligible for funding is a tribal entity and they came forward with a good project.

Dr. Hutchens said he is in agreement with what has been stated and he wanted to make it clear that we are now talking about funding education in a building – we would be establishing that precedent.

Mr. Hoffman said if these building would have been for just outdoor activities but they are also going to be community buildings and there was no funding from the communities for these buildings. He would have had an easier time voting for them if there had been more community funding.

Ms. Godfread said in essence they have community funding because they are doing the construction – they are not hiring someone to do that, they have a lot of skin in the game on this one. Sixty percent of their community is under the age of 18 and there is not much for them to do in the winter.

Mr. Kuylen said one thing they wanted to teach to the young people is their heritage. If anyone in this state has heritage it is our Native Americans. They want to teach that heritage to their young people and this project will give them a facility where they can do that. They are planning to have these young people help put up the building--there is a lot for the community support. They are putting in sweat equity – he thinks it is a good project.

Mr. Reierson said this is an Outdoor Heritage Fund and we are building indoors – he did not know which Directive it fits under; D is probably the closest. He can't support a building project like this. If we are going to be funding education projects and buildings he didn't think there would be enough funding for trails, conservation and the projects that this Fund was created to fund. He did not think this is what the Legislature had intended and cannot support funding for buildings.

It was moved by Mr. Wogsland and seconded by Mr. Godfread that the TMBCI Sky Chief Park Educational Stewardship Lodge application submitted by the Turtle Mountain Band of Chippewa Indians be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$60,000 (Application GR2-019). On a roll call vote C. Godfread, J. Godfread, Hutchens, Kuylen, and Wogsland voted aye and Bina, Hoffman, Melchior, Moser, Reierson and Stockdill voted nay with Mr. Aasmundstad absent and not voting. The motion failed.

Mr. Moser took up Application GR2-08 - Norsemen Outdoor Education Center submitted by the Norsemen Archers, Inc.

Mr. Godfread said there is one difference between this application and the previous application – this is for archery. Mr. Hoffman made the comment about clay pigeon shooters; to him archery is clearly an outdoor activity. If you don't want to set the precedent of funding buildings for educational purposes this application is clearly tied to outdoor activities. It is hunting and teaching the proper use of those things used outdoors so there is a little distinction between this one and the previous one.

Mr. Kuylen said he did not support full funding for this application wholly because he thought if they partially funded it the community would put more skin in the game. He thought if the community really needed this building they would come together with the rest of the funds. He is in favor of it because archers do this all winter long to keep themselves sharp for when they go into the field.

Mr. Reierson said he is an archer and he agrees they stay in practice but we build our own buildings – we did it in conjunction with the Game and Fish Department, in conjunction with the Upper Missouri Valley Fair so when we built our building it was in conjunction with others. If we go down this path we will be paying for archery buildings, pistol ranges, etc.

It was moved by Mr. Wogsland and seconded by Mr. Godfread that the Norsemen Outdoor Education Center application submitted by the Norsemen Archers, Inc. be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$220,781 (Application GR2-08). On a roll call vote J. Godfread, Hutchens, Kuylen, and Wogsland voted aye and Bina, C. Godfread, Hoffman, Melchior, Moser, Reierson and Stockdill voted nay with Mr. Aasmundstad absent and not voting. The motion failed.

Ms. Fine stated when she had listed the applications with six or more zeros she had incorrectly included Application GR2-15 -- it did not have six or more zeros.

It was moved by Mr. Reierson and seconded by Mr. Godfread to reconsider the Board's action where they denied funding for application GR2-15. On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-15 - North Dakota 4-H Camp submitted by the North Dakota 4-H Foundation.

It was moved by Mr. Kuylen and seconded by Mr. Wogsland that the North Dakota 4-H Camp application submitted by the North Dakota 4-H Foundation be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$18,768 (Application GR2-15). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-16 --Downtown River Access for Grand Forks Greenway submitted by the City of Grand Forks.

It was moved by Mr. Godfread and seconded by Dr. Hutchens that the Downtown River Access for Grand Forks Greenway application submitted by the City of Grand Forks be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$75,000 (Application GR2-16). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-12 -- Northern Cass Pass submitted by Hunter/Arthur JPA Park Board.

It was moved by Mr. Bina and seconded by Dr. Hutchens that the Northern Cass Pass application submitted by the Hunter/Arthur JPA Park Board be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$138,876 (Application GR2-12). On a roll call vote Bina, C. Godfread, Hutchens, Kuylen, Stockdill and Wogsland voted aye and J. Godfread, Hoffman, Melchior, Moser and Reierson voted nay with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-03 - Bald Hill Creek Watershed Project submitted by Griggs County Soil Conservation District.

It was moved by Mr. Wogsland and seconded by Mr. Melchior that the Bald Hill Creek Watershed Project application submitted by the Griggs County Soil Conservation District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$300,000 with the contingency of a 60/40% match (Application Gr2-03). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-11 - Stutsman County Manure Management Project submitted by Stutsman County Soil Conservation District.

Mr. Godfread said he funded this application at \$300,000 level because it was the number they used for their winter rotation manure management system and he felt it was a good program to support. He wanted the contingency that it is spent only on the winter rotation manure management system with the 60/40% producer match requirement.

It was moved by Mr. Godfread and seconded by Mr. Bina that the Stutsman County Manure Management Project application submitted by the Stutsman County Soil Conservation District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$300,000 with the stipulation that there be a 60/40% producer match and that the funding be used just for winter rotation manure management systems (Application GR2-11).

In response to a question Mr. Godfread stated that he had recommended the funding of the winter rotation manure management systems because they were less costly than the lagoon feedlot systems and with the winter rotation systems they are working with 30 producers versus 5 producers. He believes that the larger feedlot operators, as has previously been discussed, should be able to take on more of the costs on their own. He felt the Outdoor Heritage Fund would get “more bang for its buck” with the \$300,000. If you add in the \$500,000 for the feedlot operations that is affecting only five producers – to him, the value is with the \$300,000. It was noted that the applicant has other dollars that they might be able to use for the feedlot operations.

On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-07 -- Red River Riparian Project submitted by the Red River Regional Council.

It was moved by Ms. Godfread and seconded by Mr. Kuylen that the Red River Riparian Project application submitted by the Red River Regional Council be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$230,000 with the stipulation that there be a 60/40% producer match (Application GR2-07). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-017 - Turtle Creek Watershed Project Water & Habitat Initiative submitted by the South McLean County Soil Conservation District.

It was moved by Mr. Melchior and seconded by Mr. Wogsland that the Turtle Creek Watershed Project Water and Habitat application submitted by the South McLean County Soil Conservation District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$138,000 with the stipulation that there be a 60/40% producer match (Application GR2-017).

Mr. Godfread said it sounded like the \$69,000 he had a plan for but the second \$69,000 was contingent on getting the dollars from the 319 Program. Mr. Moser said they did get the 319 funding.

On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-14 - Blacktail Dam Association submitted by Blacktail Dam Association.

It was moved by Mr. Reierson and seconded by Ms. Godfread that the Blacktail Dam Association application submitted by the Blacktail Dam Association be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$35,000 with the stipulation that the funding be used only for the lift station and trees and no funding for the dock (Application GR2-14). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Moser, Reierson, Stockdill and Wogsland voted aye and Melchior voted nay with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-10 - Prairie Project submitted by the United Prairie Foundation, Inc.

Mr. Hoffman said he likes the idea and thinks it is great but he went with partial funding. Give them a chance to prove themselves, get it going and maybe the applicant can come back for more at a later date.

It was moved by Mr. Bina and seconded by Ms. Godfread to fund the application GR2-10 in an amount not to exceed \$640,300.

It was moved by Mr. Reierson and seconded by Dr. Hutchens to amend the motion and fund the application GR2-10 in an amount not to exceed \$300,000.

Mr. Reierson said he had the same concerns that Mr. Godfread had earlier expressed. The applicant comes with a lot of enthusiasm, it has a lot of potential and \$300,000 is a lot of money. If the applicant gets it on the ground and starts producing something, the applicant can come back and if we see results, he would be supportive of recommending more funding.

Mr. Moser asked how to handle the match or do we have to address a match. He has some concerns about using PLOTS money to match when the Outdoor Heritage Fund put money into PLOTS. Again, a 25% match is not required. Mr. Reierson said he might not understand but how is the PLOTS a match when he is renting other land to raise the seed on – that is where he is confused. Mr. Steinwand said he is confused too because they do a number of contracts with PLOTS and we keep those separate so there isn't any so called double dipping or double using of that.

Mr. Moser said the Commission awarded \$1.8 million for PLOTS and now PLOTS funding is coming back around in an application to be used as match. That was his match - \$135,000 of match was PLOTS dollars. It was stated that the applicant is planting and harvesting the seed on PLOTS land. Mr. Moser stated that the general public will not distinguish between what Game and Fish got through its own funding and what the Outdoor Heritage Fund funded. If you don't have a concern on this issue for the match, it is not an issue. If it is a good project and you want to run with it.

Ms. Godfread said the applicant did not actually itemize all the things he could have for match such as volunteer time --in-kind labor. She didn't remember if she seconded the first motion or not but she would withdraw her second because she liked Mr. Reierson's proposal better. Mr. Bina said he would withdraw his first motion on this as well.

It was moved by Mr. Reierson and seconded by Dr. Hutchens to replace his prior motion and fund the application GR2-10 in an amount not to exceed \$300,000 and to remove the match funding of PLOTS funding as outlined in the application.

Mr. Wogsland asked if the applicant had permission to plant on the PLOTS land. Mr. Steinwand said this is private land. The Game and Fish Department would not be giving permission; it would be the landowners' permission. Mr. Wogsland asked if Mr. Steinwand had knowledge as to where these PLOTS are going. Mr. Steinwand said he did not know, it would be somewhere down in that area.

Mr. Moser said if he understands the motion, the \$300,000 will allow him to go out and rent private property, if it happens to tie into property that PLOTS can be on – he thought that was his objective but we will not look at that as being match dollars in the application process.

Dr. Hutchens stated that because of the significant need for this type of native prairie seed it may be appropriate to waive the suggested match provision and not use the PLOTS payments as match funding.

On a roll call vote Bina, C. Godfread, Hoffman, Hutchens, Kuylen, Reierson and Stockdill voted aye and J. Godfread, Melchior, Moser and Wogsland voted nay with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-13 - Pheasant Lake Fishing Access/Shoreline Restoration Project submitted by the Dickey County Park Board.

It was moved by Mr. Melchior and seconded by Mr. Hoffman that the Pheasant Lake Fishing Access/Shoreline Restoration Project application submitted by the Dickey County Park Board be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$21,250 (Application GR2-13). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reiersen, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-02 - South Golden Lake Inlet Beautification Project submitted by the Golden Lake Improvement Association.

It was moved by Mr. Wogsland and seconded by Mr. Bina that the South Golden Lake Inlet Beautification Project application submitted by the Golden Lake Improvement Association be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$57,342 (Application GR2-02). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reiersen, Stockdill and Wogsland voted aye with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-04 - Water Storage Piggyback submitted by the North Dakota Natural Resources Trust.

It was moved by Mr. Bina and seconded by Ms. Stockdill that the Water Storage Piggyback application submitted by the North Dakota Natural Resources Trust be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$300,000 (Application GR2-04). On a roll call vote Bina, C. Godfread, Hutchens, Moser, Reiersen and Stockdill voted aye and J. Godfread, Hoffman, Kuylen, Melchior and Wogsland voted nay with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-23 - Conservation of Grasslands and Long-billed Curlews on Private Lands in SW North Dakota submitted by the American Bird Conservancy.

It was moved by Mr. Kuylen and seconded by Mr. Godfread that the Conservation of Grasslands and Long-billed Curlews on Private Lands in SW North Dakota application submitted by the American Bird Conservancy be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$29,322 (Application GR2-23). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reiersen and Stockdill voted aye and Wogsland voted nay with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser took up Application GR2-22 - ND Pollinator Partnership submitted by Pheasants Forever, Inc.

It was moved by Mr. Godfread and seconded by Ms. Stockdill that the ND Pollinator Partnership application submitted by Pheasants Forever, Inc. be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$173,750 (Application GR2-22). On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reiersen and Stockdill voted aye and Wogsland voted nay with Mr. Aasmundstad absent and not voting. The motion carried.

Mr. Moser said the total amount the Board is recommending to the Industrial Commission to fund is \$2,509,428 on seventeen projects.

Ms. Fine reminded the Board members she needs their score sheets and ranking sheets.

Mr. Moser said on May 27 the recommendations will be presented to the Industrial Commission at their meeting. Ms. Fine will notify everybody of the meeting time and they are welcome to attend.

Being no further business, Chairman Moser thanked everybody for their time and effort today and adjourned the meeting at 9:00 p.m.

A handwritten signature in blue ink that reads "Wade Moser". The signature is written in a cursive style with a large initial 'W'.

Wade Moser, Chairman

A handwritten signature in blue ink that reads "Karen Fine". The signature is written in a cursive style with a large initial 'K'.

Recording Secretary