Attachment A
April 22, 2016

Minutes of a Meeting of the Outdoor Heritage Fund Advisory Board
Held on November 30, 2015 at 8:00 a.m.
Department of Mineral Resources Conference Room
1000 E Calgary, Bismarck, ND

DRAFT

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 Reierson, OHF Advisory Board
Patricia Stockdill, OHF Advisory Board
Jay Elkin, OHF Advisory Board
Larry Kotchman, OHF Advisory Board
Terry Steinwand, OHF Advisory Board
Rhonda Kelsch, OHF Advisory Board
Mark Zimmerman, OHF Advisory Board

Also Present: A complete list of attendees is available in the Commission files

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

Mr. Moser said both Jim Melchior and John Godfread were reappointed by Governor Dalrymple for four year terms so their terms will expire in 2019. He introduced thea new member, Jay Elkin, who is replacing Dan Wogsland and his term will expire in 2019. He welcomed Mr. Elkin to the Board.

Mr. Moser asked if there were any additions or deletions to the November 30, 2015 agenda. He said at the very end of the meeting they will set the next meeting date or as close as we can to a meeting date.

The December 15, 2014 and June 3, 2015 meeting minutes were presented. (Copies are available in the Commission/OHF files.) It was noted that the December 15, 2014 meeting minutes were put on the website last night so they will consider them after lunch so everyone has time to review them.

Ms. Fine, Industrial Commission Executive Director, presented the following financial report. (A complete copy is available in the Commission files.)

Financial Report - November 30, 2015

Attached you will find a number of pages for the financial report.

The first page is the report for the end of the 2013-2015 Biennium. A reminder - the top part of the statement is the cash balance - we ended the biennium with $16,173,871.80 of cash. The outstanding commitments totaled $21,179,600.04 so the difference of those two numbers is carried forward to the 2015-2017 biennium. The outstanding commitments are scheduled to be paid out over a number of years--some of those payments could be out 10 years. The bottom part of the statement is the statutory authority for the maximum amount of oil tax revenues that the Outdoor Heritage Fund can receive. The level of oil tax revenues during the 2013-2015 biennium did not reach the maximum amount allowed. $18,641,972.92 of the possible $30,000,000 was received.

The second page is the report for the Outdoor Heritage Fund for the 2015-2017 biennium. Again, the top part of the statement is the cash balance. As of the end of October the cash balance is $16,655,770.26.

Outstanding project commitments have been reduced to $19,019,404.24. Although there is a negative amount on the top part of the statement those commitments are scheduled to be disbursed over the next 10 years and not all in one biennium.

The bottom part of the statement is the statutory authority for the maximum amount of oil tax revenues that the Outdoor Heritage Fund can receive. I have included what the current legislative forecast is for the 2015-2017 biennium. That legislative forecast shows oil tax revenues at the level of $27,502,641 compared to the maximum amount of $40,000,000 that is allowed.

The third page is the worksheet showing the amount received as of October 31, 2015 compared to the Legislative Forecast. For the first three months of receipts we are under the forecast by $432,929.60.

Last, I was asked to provide information on oil tax revenue disbursements. This is a chart prepared by Legislative Council. You will note that the Outdoor Heritage Fund is box #9. The revenues for the Outdoor Heritage Fund come from the oil and gas gross production tax.

Outdoor Heritage Fund (294)
Financial Statement
2013-2015 Biennium
November 30, 2015 Outdoor Heritage Fund Advisory Board Meeting

	Cash Balance
July 1, 2013 Balance	$ 0.00
Interest Revenue through June 30, 2015	$ 8,181.72
Revenues through June 30, 2015	$18,641,972.92
Grant Expenditures through June 30, 2015	$(2,386,247.96)
Administrative Expenditures through June 30, 2015	$ (90,034.88)
	$16,173,871.80
Outstanding Project Commitments as of June 30, 2015	$(21,179,600.04)
Balance	**$(5,005,728.24)**

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	$15,000,000.00
	$30,020,000.00
Administration Expenditures	$ (300,000.00)
Project Commitments 2013-2015 Rounds 1 - 5 (less withdrawn projects)	$(23,565,848.00)
Available Funding Authority	**$ 6,154,152.00**

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;…

Outdoor Heritage Fund (294)
Financial Statement
2015-2017 Biennium
November 30, 2015 Outdoor Heritage Fund Advisory Board Meeting

	Cash Balance
July 1, 2015 Balance	$16,173,871.80
Interest Revenue through October 31, 2015	$ 2,022.70
Revenues through October 31, 2015	$ 2,640,440.40
Grant Expenditures through October 31, 2015	$ (2,160,195.80)
Administrative Expenditures through October 31, 2015	$ (368.84)
	$16,655,770.26
Outstanding Administrative Expenses	$ (149,631.16)
Outstanding Project Commitments as of October 31, 2015	$(19,019,404.24)
Balance	**$(2,513,265.14)**

Outdoor Heritage Fund
Continuing Appropriation Authority
2015-2017 Biennium

	Authority	Leg. Forecast
Balance July 1, 2015	$ (5,005,728.24)	$(5,005,728.24)
Interest Revenue	$ 10,000.00	$ 10,000.00
Revenues Fiscal Year 2016	$20,000,000.00	$13,081,433.00
Revenues Fiscal Year 2017	$20,000,000.00	$14,421,208.00
	$35,004,271.76	$22,506,912.76
Administration Expenditures	$ (150,000.00)	$ (150,000.00)
Project Commitments 2015-2017	$ (00.00)	$ (00.00)
Available Funding Authority	**$34,854,271.76**	**$22,356,912.76**

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. 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: …

(f) Credit eight percent of the amount available under this subsection to the North Dakota Outdoor Heritage Fund, but not in an amount exceeding twenty million dollars in a state fiscal year and not in an amount exceeding forty million dollars per biennium; …

Ms. Fine stated the payments are spread out over 10 years so the cash flow will be ok. OMB will be doing a new forecast. Flowchart demonstrating how OHF receives funds was distributed. Forecast was based on 1.1 million barrels per day with oil prices estimated to average between $46-$51 per barrel. It was pointed out that there are four grant rounds coming up including this grant round. Mr. Moser said they can go through the applications and if the Board wishes to do so have more discussion before deciding funding levels of grants.

Mr. Moser called on the first applicant to make their presentation.

GR6-018 - ND Statewide Conservation Tree Planting Initiative - ND Association of Soil Conservation Districts - $2,050,000- Directive B – Project Summary: Continuance for two-years of this Initiative that promotes and provides financial assistance to implement agroforestry practices in ND including

farmstead, feedlot and field windbreaks; forestry, wildlife and riparian plantings, buffers and living snow fences. Includes funding for staffing costs. (A PowerPoint is available in the Commission files.)

Ms. Dawn Martin discussed the current program and what is being proposed in this Phase II application. She reviewed the requirements or process that landowners have to go through when they come in to get cost share.

- Tree planting follows all the NRCS standards and specifications as well as any specifications within that county as far as setbacks and those types of things.
- Conservation plans will be sent in to the State Historical Preservation Office (SHPO) to receive a cultural review screening. SHPO is doing those screenings free of charge. However, if that site is flagged the landowner will have to get a certified archeologist and they will do a Class 3 cultural walk –under the current program the landowner has to cover that cost.
- Once plans get through all of the stages, the landowner must sign the conservation plan and the Outdoor Heritage Fund contract with the Soil Conservation District.
- Payments don't exceed 60% of the total cost of the project.
- OHF funding for Phase I is $1,878,000. They did two application rounds for the spring 2015 plantings – October 31, 2014 and January 30, 2015. They had 1,136 applications submitted and of those 561 applications were approved. They have 1,976,876 linear feet of trees planted in 2015 as a result of the OHF dollars. The total cost was $1,600,000 and the OHF covered $960,000. The landowner has the responsibility of 40% which was $640,000. They had in-kind contributions from SCDs of $350,000. They also had another application round for the 2016 planting with 525 applications submitted and of those 183 were approved resulting in another 1,231,000 feet of trees to be planted in 2016.

She reviewed the budget for Phase II. They are asking for some administrative costs--2.5% of the total which covers the application reviews, the requirements for going into the State Historical Preservation Office and covering 60 percent of the Class 3 cultural walks. She noted the following points about the Phase II funding during the discussion with the Board:

- People get turned down if they're not meeting the specifications from NRCS - some just back out. This last round a threshold was set of $2,800 – projects less than that weren't eligible due to lack of funds.
- Multi row shelter belts are a requirement.
- There is an unmet need that is constant.
- This funding will last 2-4 years.
- We will not lower the threshold, we want good projects.
- Projects have fallen through due to cultural review requirements because they can cost $900 to $1,200. Will use 60% of administration to cover those costs.
- Plantings will require a 40% match.
- A large majority percentage was farmstead planting.

<u>GR6-020 - Alkali Lake Habitat Enhancement - Audubon Dakota - $207,057 - Directive B</u> – Project Summary: Implementation of a prescribed grazing system on the Audubon's Edward M. Brigham Ill Alkali Lake Ranch/use cattle in a managed rotational system to increase nesting, brooding and feeding cover for grassland birds, and create more hunting and outdoor recreation opportunities. It involves 1,000 acres of grassland and wetland habitat. (A PowerPoint is available in the Commission files.) Mr. Marshall Johnson gave the presentation. He said Audubon owns 2 properties in ND with 2,500 acres of native prairie. Having land in production with cooperative ranchers is the best use and best results taking rotational grazing a step farther. It allows the cooperator to have more animals and leave residual grass for wildlife. This will be a demonstration site and opened up to the public. Hunting is allowed. We will accept additional partners. Farm it for 3-4 years and get weeds out then reseed in two years and graze that as well. Water is required.

Mr. Brian Amundson spoke on behalf of the project and noted that he has a beef operation and is a cooperative rancher. He said the wildlife organization came to a beef producer. We can show people that wildlife organization and grazers can come together and establish a mutually beneficial relationship.

Mr. Johnson responded to a number of questions from the Board.

- Implemented the system in 2013. Have put 400 cattle in there at a time. Have analyzed and increased the species of grass from 2 to 10. Have turned cooperator loose – encouraging as much cattle as possible because he is going to care for the land. Deer hunting is allowed at Alkali Lake, in the future it will be opened up to upland and waterfowl as well. We will make it a recreational site for the community.
- There could be a need for burning from time to time - as it evolved, burning is a part of it. We can't get rid of the western snowberry. May have to use chemicals, may use fire in the future. There are times where it can be a great stimulant for grass. Right now our goal is to get cattle out there.
- Attitude has changed - research has evolved quite a bit. 20 years ago cattle wouldn't have been a primary management tool - evolution of the science. The partnering of a nonprofit conservation group with local landowners and producers for a mutual beneficial goal makes sense - stigma of livestock negatively affecting the rangelands seems to have changed. Preference is not to use burning or chemicals. Increased beef production – more pounds per acre. When the cattlemen are gone from the landscape, so are grassland birds.
- The admin costs - lining up materials, doing some of the work ourselves, working out contractors contracts.

In response to a question regarding EQIP grants covering 60% of installation, why theirs doesn't, Mr. Johnson said when the project was started, it wasn't as intensive. The EQIP dollars didn't include as much fencing. EQIP can't adjust to the changes in the project - they're funding the areas in which they originally agreed to fund the project.

<u>GR6-017 - Working Grassland Partnership - North Dakota Natural Resources Trust & 3 Co-applicants - $1,097,250 - Directive B</u> – Project Summary: OHF funding will be used to provide land development assistance to landowners interested in livestock fencing and livestock water development on SAFE and adjacent acres with a project area focus that is important for grassland birds with declining populations (funding for fencing costs and water development costs). Includes funding for project staff. (A PowerPoint presentation is available in the Commission files.) Mr. Terry Albee gave the presentation. The partners are: Pheasants Forever, Ducks Unlimited and the ND Association of Soil Conservation Districts. ND Game & Fish Department is a non-match partner. He said the premise behind the proposal is to promote livestock grazing as a primary tool on CRP land. To do that, they need to place grazing infrastructure and water on those tracts. He said the proposal is voluntary and designed to help farmers and ranchers create and maintain these species dependent habitat. Targeted species require larger tracts of native type habitat with varying types of grass stands. They are now waiting for SAFE acre allocation and expect it by the end of the year. He discussed staffing.

Mr. Brian Johnston, ND Association of Soil Conservation Districts, said they have developed a method of providing farm bill specialists to NRCS offices throughout the state – have just hired 3 farm bill specialists.

In discussion with the Board Mr. Albee provided the following information

- We will utilize the guidelines of existing programs. But if a landowner chooses to do things a little differently, we will be flexible and it will be customizable. We will be flexible on the cost share amount - OHF will pay for fence and landowners install it.

- The problems with SAFE program rules is it's not available throughout the whole state, it's only in 31 counties, dependent on acre allocations by the USDA, federal funding isn't reliable nor is CRP. We're trying to create consistency for landowner.
- A bird friendly management tool is primarily grazing.
- In terms of monitoring, the rules of how and when to graze will be determined by USDA so it will be the standard CRP grazing.
- Partnerships are a good idea, but the Trust will be ensuring implementation is done as agreed upon.
- Regarding range specialists on staff - we're trained biologists, particularly wildlife biologists. We do partner if we have resources where we can collaboratively work with range specialists, we do that all the time.

GR6-004 - Wild Rice River Restoration and Riparian Project Phase III - Wild Rice Soil Conservation District - $153,161 - Directive B – Project Summary: Reduce sediment in the Wild Rice River as well as Crooked and Shortfoot Creeks. Implement best management practices on 422 acres in Sargent County through the use of easements. (A PowerPoint is available in the Commission files.) Ms. Trace Hanson gave the presentation. She said the OHF approved Phase II funding. They are in need of more funding to put the BMP's on the. She responded to questions from the Board and provided the following information:

- She has been monitoring the three rivers, the Wild Rice River, the Shortfoot and the Crooked Creeks for the last ten years.
- The easements will not require public access -- it will be up to the landowner. For payment, the owner maintains the grasses and follows NRCS specifications with the biology of the grasses for the soils – some have come in and hayed.
- Funding from 319 has not been confirmed.
- They are about 10% completed in improving the water quality - they had a tour of the area and the banks are more stable, the grasses look beautiful and the water is crystal clear. She said she has talked to South Dakota but she doesn't know how they are addressing the issues these rivers are facing.

There was discussion among the Board members.

- It was noted that they have been working on this for 10-12 years and re 10-15% complete. This will never be done and in 10 years they need to do something all over again. Will this really help?
- Will you see a vast change in 10-12 years when it's taken 100 years to get there - it is helping, but in 10 years you won't fix 100% of the problem.
- This is only looking at a portion of the river there's no coordination with South Dakota. The entire watershed should be addressed.
- What we're getting for the dollar - the area isn't going to change much except giving the landowner money to leave it as is which will probably already happen.
- We're paying someone to take good care of their land.
- Fixing one mile doesn't do the watershed any good. SD should be spending their money to fix the dairy. It needs to be a big picture effort.

GR6-010 - North Dakota Hen House Project II - Delta Waterfowl - $26,600 - Directive C – Project Summary: Installation of 200 new hen houses. (A PowerPoint is available in the Commission files.) Mr. Matt Chouinard gave the presentation. He said they are asking for 200 new houses near Woodworth. They go out there in the winter and install them through the ice – that's when they can access all portions of the wetlands and is the easiest time to get there. Contractors are local, have the equipment and know the landowners. He responded to a number of questions from the Board:

- The hen houses are for laying eggs and allowing them to hatch. Nest success is critical for populations. When they hatch they head to wetlands anyway. In this case they're already in the

water. They pretty much stay on the water unless the mother leads them somewhere. 45-60 days until they can fly.

- Life of the structure is approximately 20 years. We give them a life of 10 years and evaluate if it's been successful and maintain it. Hens that nest in a hen house typically return to the same spot. Research has indicated that ducklings from hen houses have returned to those hen houses to nest.
- There are 7,000 hen houses across the whole prairie pothole region - Canada, MN and ND. Woodworth area has about 200 right now, we want to build that up to 700-800. Devils Lake is the next area we would go to.

GR6-013 - Davis Ranch Field Restoration - The Nature Conservancy - $9,450 - Directive C – Project Summary: Re-seed about 80 acres of an old field that was abandoned. Re-seeding will add plant diversity, reduce weed issues and improve habitat. Fencing will be needed. (A PowerPoint is available in the Commission files.) Mr. Eric Rosenquist gave the presentation. He said it is primarily brome right now. They will continue to monitor for 5-7 years for noxious weeds. He reviewed the budget. This property is open to public hunting and grazing for four neighbors – over a grazing season well over 1,000 cow/calf pairs will cross this property. He responded to questions from the Board and noted that they have not dealt with this 80-acre tract because they've been working on other projects and staff capacity issue. He indicated that once it is developed it will be put in a grazing rotation. The ranch is about 7,017 acres which is leased to local ranchers with an annual operating budget of $60,000 to $68,000 – they don't charge out staff time, it all gets pooled together with other properties.

GR6-014 - South Central ND Habitat Enhancement - Dakota Heritage Foundation - $60,000 - Directive C – Project Summary: Provide trees/shrubs and weed barrier (8 linear miles) for planting; provide funding for native grass seeding (500 acres). (A PowerPoint is available in the Commission files.) Mr. David Nehring gave the presentation. He said this is similar to an application they did in Grant Round 3. He said they have four projects planned with 38,000 linear feet in Morton, Burleigh and Kidder Counties.

Mr. Nehring responded to questions from the Board and noted the following points:

- Project will be overseen by and individual from Game and Fish and himself.
- The four projects they have are members of Pheasants Forever--private landowners--they provide the labor.
- Dakota Heritage Foundation has purchased a tractor for use with the projects.
- They follow NRCS guidelines.
- Dakota Heritage is a pass through mechanism for grants and donations.
- Last year the tree projects were on members' properties and were all done for wildlife habitat, it is the same this year for tree projects. The native grasses aren't always on member properties – some were on member properties, PLOTS land, a wide variety of different situations.
- The Foundation has a board with 4 members and are not necessarily affiliated with any one group. He set up the Foundation to do these types of projects and he is the president.
- The Foundation has received funding from 2 local banks, the ND Petroleum Council, a number of wildlife groups – at this time they do not have any administrative costs other than the legal filings, etc.
- They have submitted the filings to the IRS to be a 501(c)(3) organization.

GR6-015 - Cass County Wildlife Club Multi-range Project - Cass County Wildlife Club - $53,400 - Directive D – Project Summary: Make improvements to Trap/archery range and rifle range. Better backstop and fencing ; lighting enhancements and electric repair of trap houses; grading and gravel of parking lot; fencing; landscaping; gravel base for picnic area and parking lot; and rebuild berms. (A PowerPoint is available in the Commission files.) Mr. David Nehring gave the presentation on behalf of the Cass County Wildlife Club -- The ND Petroleum Council asked him to step in and do presentations for small organizations that don't have the ability and resources to do it on their own. The Cass County Wildlife Club has been around for quite a while and has 2 ranges utilized by the public. They want to

improve safety. Fencing and gates are falling down, dirt work is needed - berms are falling down. Backstops used have been old tires – not very safe. Berms aren't high enough. A row of dead trees needs to be removed and new plantings put in. Electrical work is needed at trap range, not up to code. Lights on trap range are starting to fall down, they are leaning and need replacement. A lot of the work is in kind. The dirt work is beyond their means, as well as electrical. They have a nice project ahead of them. In response to questions from the Board he made the following points:

- It is estimated that 3,000 people use the range per year;
- The Wildlife Club will maintain it but they need financial help in getting it improved and updated;
- They did receive funding from another source 9 years ago and were denied funding from the Game and Fish Department 6 years ago.

GR6-012 - Nature Park - Watford City Park District - $1,575,000 - Directive D – Project Summary: Construction of a park to increase recreation opportunity to the current fishing pond with the addition of a pre-engineered steel pavilion and deck, earthwork, construction of a restroom/concessions building, site electrical work, sidewalks, shelters, pond aerators, lawn irrigation, site furnishings, and landscaping. (A PowerPoint is available in the Commission files.) Mr. Robin Arndt said Brett Gerholt from KLJ drew up the plans. The growing community went from 1,500 to 12,000. They don't have a big community park to do a community event anymore. A group donated their section of 3.6 acres and they purchased other land so they could go forward with a pavilion and enhancing our fishing pond area. They currently have poor soil conditions. Mr. Gerholt made the presentation. In response to questions the following points were made:

- The majority of the funding request is for the pavilion--that is the piece that creates a destination at the park. It is the game changing element they feel is critical to the entire conservation and park piece as it sits today.
- This enhances conservation and meets the criteria for a building because you need to have facilities to keep things clean, comfortable and safe – it's necessary for the long term conservation of the park. You need facilities to help your kids enjoy the outdoors. The park board has approved the master plan.
- Issues dealing with the scheduling of events at the pavilion and this being the location for fishing will need to be worked out. The plan does include an accessible fishing area on the west side.
- The pond is stocked in the spring of the year. It has catfish.
- The pond is small and they do periodically have winterkill.
- The aerators will be a floating system that is removed in the fall. It was indicated that to sustain a fishery the aerators wouldn't do any good.

Following a five to ten minute break Chairman Moser reconvened the Outdoor Heritage Fund Advisory Board meeting continuing with presentations.

GR6-001 - Pelican Point Campground Extension - Stutsman County Park Board - $333,389 - Directive D – Project Summary: Addition of 21 campsites to existing Pelican Point Campground including hook-ups (water and electrical), an RV dump station, restroom/shower facility, a secondary vault toilet, playground equipment, 2 picnic shelters and 25 picnic tables. (A PowerPoint is available in the Commission files.) Ms. Nicole Meland gave background information on the Stutsman County Park Board and park. She made the presentation and reviewed the budget. In response to questions, she made the following points:

- The land is Bureau land - The Park Board has been the managing partner with a 20-year lease.
- The proposed project would also be on Bureau property and the Park Board would maintain it under a 20-year lease.
- They did not have use numbers available. They received $62,000 from approximately 2,200 rental fees in about a 25 week period from April to September in 2015. Mr. Casey Bradley said the numbers have been down because in 2009 the southern part of the campground flooded and 2009-2010 it wasn't accessible. Property was damaged.

- The conservation aspect of this project is providing access to public lands and it helps manage storm water run-off. It provides ADA compliant docks and they partner with Game & Fish on access to lake.

GR6-007 - Park River Parks & Recreation - Continuation of Phase 1 Community Park Development - Park River Parks and Recreation - $288,587 - Directive D – Project Summary: Development of a walking path, playground, arboretum, pond, and green space as part of the overall Community Park. Mr. Jon Markusen discussed the project. He said they have five objectives:

- to establish and create a recreation area for citizens of Park River and surrounding communities to enjoy the outdoors,
- to offer an outdoor recreational opportunity that allows for health and fitness,
- enhance the landscape of a 40 acre park with an arboretum and show case plants shrubs and trees,
- provide education in the outdoor environment that creates respect for the outdoors and
- to create an attitude of stewardship and conservation for future generations.

He noted this is a 4 phased project - OHF helped fund the Phase 1 which were the campsites--that project is near completion. Phase II is the development of the arboretum looking at a playground within the 40 acre complex, aggregate walking paths, developing green space and having a pond within that area. We have and will continue to work with the Wells County Soil Conservation District and the NDSU Forestry Service on plan development. The pond will provide an area for small waterfowl and possible irrigation for trees as plantings are established in the 40 acre space. The green space will provide recreational opportunities.

- How do we conserve or create natural habitat? – We are turning 40 acres that is now farmland and turn it into natural habitat.
- How do we get youth excited about the outdoors? – We need opportunities for youth of all income levels to play outside and get them away from the electronic world and see and live in the beauty of nature.
- How do we reach the maximum amount of youth possible? – We need to support the combination of all outdoor recreation activities we feel are important: hunting, fishing and hiking are all wonderful sports enjoyed by many. However when you look at the urban to rural percent of the population as being 60/40 and the nation being 80/20 establishment of a large park like this within an urban area does provide an opportunity for a large population to still get out and have that greenspace to walk through the trees and have some educational opportunities. That is what the arboretum will do.
- How can we instill love for nature in all ages? – To give everyone an opportunity to enjoy it. The project is broke down into four things: playground, greenspace and pond, arboretum and then the walking paths.

We show a local match based on the criteria that OHF has to follow on playgrounds not being able to have as much match as other items so we show a higher percent of the local match there but he wants the group to know if they decided that they would provide funding for the walking paths, they will move match dollars to whatever you need us to fund if it's not funded in whole.

In response to questions from the Board the following information was provided:

- The equipment budget is $43,000 and includes playground equipment, picnic tables and bike racks--picnic tables are moveable, benches would be permanent.
- Work so far has been with the NRCS & NDSU Forest Service but they do not have a specific design--it is fluid until they get soil samples. The design would be provided if the Commission if the project is funded. It was noted that it is hard to approve funding without a specific design and more details--costs for trees seem high as outlined in the application.
- Site preparation and planning will take place next summer.
- This site is about three miles from Homme Dam - this site wouldn't be as large as Homme Dam.
- The plan is that the water retention area--the pond would be surrounded by natural grasses

GR6-002 - Saving Minot Retriever Club Grounds for Future Generations - Minot Retriever Club, Inc. - $144,000 - Directive D – Project Summary: Construct two dikes that would separate the current ponds from the Des Lacs River allowing the ponds to maintain their water level. This project would restore and maintain this sportsmen's resource. (A PowerPoint is available in the Commission files.) Mr. Richard Srejma gave the presentation. He said they want to get their water back that was lost from the dam that breached on the Des Lakes River. He reviewed background information on the Club. They own 38 acres of land and are the only retriever club in North Dakota. They are not a member's only club – they voted to open the training grounds to the public so you do not have to be a member. There is one exception – during the AKC hunt tests and field trials we close the grounds to the public because of the amount of dogs we have coming in from all over the nation and because we use live ammunition. The project is needed because the dam that provides water to the Club was breached in the fall of 2014. They would construct two dikes that would hold the water in the ponds and allow for the activity of training dogs to continue on these grounds. It was indicated that the new dikes would allow the capture of water from snow and rain.

GR6-003 - United Tribes Technical College Nature Trail - UTETC - $103,850 - Directive D – Project Summary: Development of the UTETC walking trail into a three-season walking trail. Construction of a three-season restroom with an outdoor water fountain; covered picnic area, signage, 3 kiosks, 10 benches, and 10 picnic tables. (A handout is available in the Commission files - Brochure was printed in 2012.) Ms. Pat Aune said the brochure commemorates Phase I of their walking trail accomplishments. She reviewed the project. She said they are asking the OHF to provide an enhancement of the system they have to make it even more pleasurable for the public and for family members to participate in the recreation that's available along the trail. The newer part of the trail will go by the Dragonfly Research and Extension Garden which began six years ago with NDSU horticulturists. Five acres has been set aside to be used as a research garden and horticulture area. Funding has been received to have 160 fir trees planted in that area and the plan is to have a green house in the area to use as teaching. The trail development includes an area near the Dragonfly garden that allowing people to look over the prairie landscape. This project would provide funding for interpretive signs that explains the environment they are looking at, the natural trees and plant materials, the wildlife along the ridge as well as the prairie that develops beyond that. We have both a wooded area and prairie type location. That is the area where they are hoping they can have a public restroom – a three season restroom that is available to people who walk and bike. They hope to have kiosk at the entrances of these locations to talk about the traditional plants that we would find in North Dakota.

In response to questions from the Board, it was indicated that although there are restrooms on the campus, most of the buildings are office buildings and are closed on evenings and weekends. The nearest public restroom is two miles away. It was noted that there have been concerns about the maintenance of the garden in the past because of multiple staff changes.

GR6-008 - Tree Planting & Accessibility Improvements at Sheep Creek Dam & Raleigh Dam - Grant County Water Resource District - $44,631 - Directive D – Project Summary: Sheep Creek Dam - Construction of 2 handicap accessible campsites, improvements to accessible fishing pier, upgrade 4 campsites, expand and upgrade. Mr. Harold Gaugler reviewed the project. He said they would like to make both reservoirs more handicap accessible to the public. Raleigh reservoir – State Water Commission said repairs were needed to the dam; the repairs have been done. In order to do those repairs the reservoir itself had to be drawn down and is almost dry at this point - it may be 3 years before it's back to a point where it can sustain a fishery with normal runoff and snow. The budget is split, part of Raleigh could be taken off for now. He asked the Board to consider leaving the tree portion at Raleigh in if they decide to split the two reservoirs.

GR6-011 - Shared Use Path Connection to Island Park - City of Fargo - $120,000 - Directive D – Project Summary: Construct paved 10' shared use path (fill in missing link for accessing Island Park - 425' long

and points north and south). (A PowerPoint is available in the Commission files.) Mr. Jeremy Gordon gave the presentation and explained the project. He said the project meets Directive D in that it would enhance access to the existing park. This will improve access and mobility and is heavily traveled when it is dry. It will improve safety as there is an elementary school just south of the ball fields. He said the park district supports this but do have to give up one of two softball fields in the area which they are okay with because they do have a pretty large softball complex going in – it is built, seeded and they will be able to use it this coming year. If selected for funding, they would build the project this summer. It would be a public bid, his staff would inspect it with construction beginning in late summer because the park district would like to use those two ball fields and have scheduled activities through the middle of August. The project won't take long to complete. The project will connect two parks. In response to questions from the Board he noted that the new softball complex is being built using sales tax revenues--part of the levee project.

GR6-019 - TMBCI Belcourt Lake Park Community Rest Rooms Project - Turtle Mountain Band of Chippewa - $36,000 - Directive D – Project Summary: Construction of three restrooms with site development. (A handout is available in the Commission files.) Mr. Les Thomas explained the project – it is part of a program they have going on to enhance their tribal lands. He thanked the Board for the funding previously provided to install docks. He noted that the Tribe built the docks because the company in Mandan went out of business so they got permission to build them. Pictures of the docks were provided to the Commission. To develop this area there are a lot of amenities they need. This project is for three bathrooms at $12,000 per bathroom so that would be $36,000 and the Tribe would put in the $10,000 to develop the areas where we need the bathrooms. The Tribal Government is in full support of this project. He noted on a map where the restrooms would be located--two restrooms would go in the area that is used the most. He indicated that although they didn't provide the bids, they had checked on prices and talked to individuals where these entities have been installed.

GR6-006 - Downtown River Access for Grand Forks Greenway - City of Grand Forks - $126,805 - Directive A – Project Summary: Installation of a paved trail and an ADA compliant kayak launch and fishing dock. (A PowerPoint is available in the Commission files.) Ms. Kim Greendahl made the presentation. She said this is for river access in downtown Grand Forks. Their target audience is young families or people who do not have a lot of river or water experience. The site has brought many challenges such as debris, steep river bank and clay like mud. Phase I was a lot of reconstruction. We wanted and needed an ADA accessible paved path from the boathouse to the river which required re-sculpturing the river bank for a gentle slope. Funding for that project was in part provided by the OHF. The first phase was completed in 2014. Their main goal is to provide that access for the boat users but we also see the opportunity for shore bank fisherman and nature/bird lovers and just having the opportunity to see the river. That is where we are headed with this project.

In response to a question regarding the proposed budget and the pier estimate at $55,070 but budget says $85,000, Ms. Greendahl said $85,000 is the piers, dock and braces to the side. The bid is only for the dock.

In response to a question regarding budget worksheet showing a request at $207,000 for the total department request, and this is only at $169,000, Ms. Greendahl said it is a work in project number so it includes the dock projects, the pave project, road and trail repair and pool repairs - includes multiple projects. If they don't receive funding, they have a reserve fund they can go to. This project is not a part of the general fund for the City. This project will be funded from an enterprise fund where every residence in the City of Grand Forks pays $1.38 per month for flood protection and greenway.

GR6-005 - The Mt. Carmel Dam Project - Cavalier County Water Resource Board - $129,927 - Directive A – Project Summary: Install a handicap and elderly accessible fishing pier with a ramp from shore to the pier; parking area created; remove old sunken ramp and install a new boat ramp, boat docks, update playground equipment, with a playground shelter, planting of trees, and dredging of bay. (A PowerPoint

is available in the Commission files.) Ms. Shauna Berg Schneider gave the presentation. This is the main water supply for the city of Langdon. The Dam was completed in 1971 which created 342 acre lake providing recreational activities with the upper portion being a private area. We have 140 permanent campsites, overnight camping for campers and tents and provide boat access to the water. We recently finished a new bath house and office. She commented on the many activities that take place at the site. This is a popular get away for campers and fisherman. We also provide picnic and playground areas for the public. They have worked with NRCS with the tree situation - testing the soil to find out which trees would best grow out in that area and NRCS gave them a list. There is a sunken boat ramp that is a water and shore hazard which was used years ago– they would like to replace it to access the water safely. The shelter has cement but they are looking at replacing it with sand. Public safety is an issue for them.

There was discussion between the Board members and Ms. Schneider regarding the appropriate surface materials for accessibility for the playground area, the shelter/picnic area. She noted that none of the campsites are allowed to have any type of cement, everything has to be wood and natural and they keep it as natural as possible. The most concrete they have is around the bathhouse and office, otherwise everything else is just grass. It was noted that the playground equipment area would need to have a surface underneath it such as engineered wood fibers to be in compliance with the standards for playground equipment.

In response to a question regarding showing in-kind of $11,000 for trees and what that is, Ms. Schneider said that is us for labor and equipment to plant the trees.

<u>GR6-016 - Honey Bee & Monarch Butterfly Partnership - Pheasants Forever, Inc. $1,715,700 - Directive B</u> – Project Summary: Assist landowners with planting costs, seed costs, promotion and enrollment and annual payments to landowners. Includes funding for project staff. (A handout is available in the Commission files.) Mr. Zach Browning, a bee keeper, reviewed the project. He said habitat decline is among the most important issues we face in North Dakota and nationwide concerning honey bee health. He gave background on honey bees and the partnership and projects completed. For the monarch butterflies benefit, we are using milkweed in the plantings. Milkweed is the only food a monarch butterfly can raise a caterpillar on - there is no substitute. Fish and Wildlife has said the major reason for the decline is because of the milkweed population decline. Our goal in small plots in these sanctuaries is to try to allow some milkweed to be present on the landscape so the butterflies can reproduce. A major goal of this project is to be able to see monarch populations rise so we don't have imposing federal regulation that might actually strip away some of the most important agricultural tools that we have. This is a proactive approach to try to provide key strategic plantings to alleviate the potential problem of having the butterfly listed. He noted that if the State goes this route, we may potentially avoid major catastrophe – same thing for honey bees, we are able to provide these sanctuaries and improve bee health through nutrition from forage in key areas. We can buffer against the problem of agrichemical poisoning and try to stem some of the honey bee losses that have plagued the industry.

In response to a question regarding which type of milkweed is critical for monarchs, Mr. Browning said four will grow here and intend to enlist one of those in each planting which are: swampy, showy, butterfly, and common that could be utilized.

In response to a question regarding honeybee production being number one for 20 years in a row--we must have good habitat; but the proposal states that agriculture is going in the wrong direction, Mr. Browning said it's not an indictment of agriculture, but rather an investment in conservation in agriculture. It is fair to say that because of changes in values conservation has found itself in a lower tier and if you look at CRP enrollment, for instance, and see that we were at 3 million acres in 2007 and we are less than half that now – it is pretty easy to make that case. Secondly what is more important to note is in 2006 we had about 300,000 hives of bees in ND – this year we had to have 600,000 hives to do the same – actually less production than we did in 2006. The honey production in North Dakota has fallen by

as much as 40 percent over the last decade mostly due to habitat concerns. It is per capita losses we are looking at not combined totals – it takes a lot more honeybees to make that honey now.

In response to a question regarding taking honeybees to Texas and California and bring tired honeybees back to North Dakota, Mr. Browning said as an industry, we are doing the bulk of the pollination of the majority of the crops in the nation and we need to bring them back to rebuild the hive back up.

In response to a question regarding is one area emphasized more than another, Mr. Browning said a unique aspect of this project is they enlist the relationship between the bee keeper and landowner as the placeholder for the program. The bee keepers contact the landowners and make them aware of the program and we give preference to those that would be within the proximity of established honeybee sites. We will allow bee keepers to go where it's needed most - probably in the northeast and the southeast where there are more row crops.

In response to a question regarding it's a benefit to a specific industry, beekeeping, how does it benefit conservation, sportsmen and the public, Mr. Browning said plots provide prime habitat and sanctuaries for upland waterfowl and most anything that would benefit from CRP would benefit in this program. Landowner doesn't have to go through steps required to patriciate in CRP nor have any kind of a farm program relationship to do it.

In response to a question regarding designated access, Mr. Browning said in order to enroll, they must provide access and opportunity to sportsmen – you can't put up a sign that says keep out if you enroll in this program. In response to a question regarding his handout says access is up to the landowner, Mr. Browning said the signs he has seen for the project have listed sportsmen's access – he may have missed it in this particular application but in programs they have put forward already, we have advertised that it would be available for sportsmen. He did not want to say yes; maybe we better just stick to the habitat.

In response to a question regarding all but the amount for seed is going to landowners, what is the landowners' stake, Mr. Browning said they have to maintain the acreage. It will be viewed every year by staff.

In response to a question regarding how many acres they are looking at, Mr. Browning said 5,000 acres with just this money – match money could potentially make this larger.

In response to a question regarding bees needing different things throughout the year, Mr. Browning said correct - we need full season bloom.

In response to a question regarding not looking at large tracts, you're looking at producers that are giving up small amounts of productive land, Mr. Browning said odd acres that don't produce very much and don't qualify for other programs.

In response to a question regarding who they go through, Mr. Browning said Pheasants Forever staff. Land must have crop history.

In response to a question regarding if they have a project similar to this going anywhere else, Mr. Browning said South Dakota has promised $1 million for next year but only to be spent in South Dakota – similar to what we would be doing here.

In response to a question regarding if they can skip the butterfly part, Mr. Browning said sponsors say no; we need to address butterfly concerns.

In response to a question regarding if it would attract bumble bees, Mr. Browning said he was told no.

GR6-009 - Arnegard Reservoir/Lake Peschek Rehabilitation - McKenzie County Water Resource District - $1,200,000 - Directive C – Project Summary: Dredging of Lake Peschek (removal of 100,000 cubic yards of sediment). No one gave a presentation.

Following a thirty minute lunch break Chairman Moser reconvened the Outdoor Heritage Fund Advisory Board meeting.

Upon completion of hearing all the presentations, Chairman Moser opened the meeting for public comment on any of the projects.

Ms. Fine stated Ms. Shauna Schneider had provided written comments on the GR6-016 projects. Ms. Fine read the comments. They are available in the Commission files.

The December 15, 2014 and June 3, 2015 meeting minutes were presented. (Copies are available in the Commission/OHF files.)

It was moved by Mr. Kuylen and seconded by Mr. Hutchens to approve the December 15, 2014 and June 3, 2015 minutes as presented with a correction that on page 6 "soft foundation" should be "solid foundation." Mr. Eric Aasmundstad was not present or voting. The motion carried.

There was general discussion by the OHF Advisory Board on the Grant Round 6 applications.

GR6-018 - ND Statewide Conservation Tree Planting Initiative - ND Association of Soil Conservation Districts - $2,050,000

- A lot of people in southwest North Dakota have used it and all comments have been positive.
- It was noted that in the first round the applicant had requested $2 million and had been funded at a reduced level. They are confident that there will be a demand for the $2 million requested in Phase 2. If the funding award is less they will set the threshold at a different amount. If a landowner doesn't get accepted in one round they can reapply in another round. This request is coming in now before Phase 1 is completely funded because they wanted to give the districts enough time to plan for spring and summer for plantings that would take place in 2017. A year for planning is needed.
- One suggestion was to have an emphasis on field plantings instead of farm yard - sportsman would prefer field plantings. - The majority of plantings that were planted this year were wildlife plantings and the majority was in the western half of the state.
- There is less demand for field plantings because of the way we now farm -- no till and you need to be careful when you spray. Equipment is bigger too. Over the winter wildlife gravitates towards the farmsteads – there is probably livestock being fed in the area.
- Can you put them on quarter lines so you don't have the equipment size issue - when you do 7 or 8 rows together it works, but once you move livestock in wildlife follows. I don't think most counties will let you plant on quarter lines. Stark County doesn't allow anything within 125 feet of a section line.
- With budget cuts, this is a good place to put money. It is a statewide program, and has demonstrated success with limited funds - statewide is good.
- Don't want this program to turn into EQIP where we run out of money. This is one of the most important projects in the State – everyone gains, you get trees and wildlife. We have 2 nurseries in the state. We need certainty in the program because you need 3-4 years for seedlings to provide supply.

GR6-020 - Alkali Lake Habitat Enhancement - Audubon Dakota - $207,057

- Wildlife and conservation are learning that large animals have a role in nature – you don't need a section of three foot high grass for a bird to be happy. This is a good start.
- It is a great project. These certain species are in danger and if those species are listed we're going to lose control.
- If certain species get listed, it is difficult for landowners, agencies; it is an expenditure of a lot of money and a lot of resources. It should elevate our awareness. This is a great cooperative effort. We are not pitted against each other – everybody benefits from this.
- Happy to see it from bird's aspect. Stutsman County has appalling range management. They need grazing management.
- Encouraged by this project. They applied previously and withdrew because they were going to expand it. A concern is when we put other landowners in this situation they pay 40% - in this case we're paying 84%. We may need to look at that. This is a win/win.

GR6-017 - Working Grassland Partnership - North Dakota Natural Resources Trust & 3 Co-applicants - $1,097,250

- This is a really good project and incorporates the things we've talked about in terms of proper incentives. The dollars that would be considered lease or incentive dollars are being paid for out of their trust dollars and not out of what they are asking from us. It seems like it accomplishes a lot. It is a good project.
- It's a good collaborative effort but concerned about the long term manageability. Who is in charge of oversight and ensuring it's maintained properly?
- I looked at this as a bigger scale of the Audubon project in terms of partnerships, agencies, NGOs and landowners working together.
- To answer the question, it will be similar to PLOTS. We'd help determine if they're in compliance – depending on how the contracts look. It does help endangered species.
- Who will manage this? Since this is tied into SAFE acres, even if it went through SCD you'd have confidentiality since it's a federal program.
- They want to do range systems and who is going to manage this and make sure you put up a fencing system and water development and have a range management plan. It doesn't do any good to put this out there if you don't manage it right – who is going to be responsible for that. It goes back to the local level. Someone in Bismarck won't be able to handle that – provide that oversight and expertise to get the job done. The concept of the plan is good - the delivery is impossible.
- If confidentiality is an issue, require producers to waive it in the contract.
- The best way for producers to get this project on the ground is to go through their SCD and do that – that should be the mechanism, not going to a central location in Bismarck and hoping it trickles down. It is a delivery issue more than anything else.
- Concerned whether all the SCD's in the state have the ability to administer and deal with a program like that. The Trust has said they will oversee it. It's their neck in the noose and they'll be accountable. They recognize that they have to administer it and better have that capability.
- They can take this opportunity to utilize the farm bill biologists and you have to follow USDA field office tech guide regulations.
- They said there was flexibility and so they may not have to follow any guidelines – they could pay 100 percent of a project if they choose too. There are no standard guidelines.
- The NRCS hasn't come forward with it. Someone needs to step up and provide this management tool. It isn't perfect, but it does give an avenue to get the range management and benefit some of the birds we really should be thinking about before we have a crisis.
- Not concerned about the Resources Trust managing it. We have to have someone in change and they will be - they're asking us for hard costs that is very much what we've been saying we want to do. It is an excellent project.

GR6-004 - Wild Rice River Restoration and Riparian Project Phase III - Wild Rice Soil Conservation District - $153,161

- They're into this project 10-12 years of cleaning up the Wild River basin and are 10-15% complete. This will probably never be taken care of and in 10 years they have to do it all over again for some of the practices next to the stream bank – do we really want to be involved in this?
- These 319 projects are very good. Will you see a vast change in 10-12 years when it's taken 100 years to get there? You will never get 100% improvement because you have continuous movement and it does take a lot of time to fix and clean up what has occurred for years. It is helping, but in 10 years you won't fix 100% of the problem.
- It's only looking at a portion of the river there's no coordination with South Dakota. The entire watershed should be addressed.
- In looking at what we're getting for the dollar - the area isn't going to change much except giving the landowner money to leave it as is which will probably already happen.
- We're paying someone to clean up a mess that they are making versus a guy who was a conservationist here before saying he is reducing pesticide use and taking good care of his land in a good manner and here we are paying somebody to say don't misuse your land.
- Fixing 1 mile doesn't do the watershed any good. South Dakota should be spending their money to fix the dairy. It needs to be a big picture effort.

GR6-010 - North Dakota Hen House Project II - Delta Waterfowl - $26,600

- Can't see the conservation component. The request is not for a lot of money but what benefit to conservation that building these hen houses – may be property anyway, not sure if they would be classified as property versus improvements to the land.
- We look at a lot of different things to raise birds and wildlife. It's not like we're funding a 4 wheeler, this is affixed to the ground.
- Don't disagree – it doesn't sit nicely but it is the cheapest way to make a duck. There are a lot of people that want to see the bottom line, and this provides it.
- This had a $500 equipment line item that wouldn't be allowed - keep it in mind with your funding votes.

GR6-013 - Davis Ranch Field Restoration - The Nature Conservancy - $9,450

- Brome isn't great for wildlife. Once they get it into prairie and it's open to the public, it'll be a much better 80 acres.
- Agree that it wasn't probably a high priority on their list, but they're in the business to own land. This costs $14,000, but it should've been done by landowner.
- They do have an annual income of $60,000 and it's unclear how much goes back into the land. We are looking at dollar limits – they have national, international and worldwide fundraising for projects.
- We don't have any qualms about planting trees on private land. Here we are converting a weed grass which is only useful if you manage to graze at just a narrow window of time while it still has some nutritional value and then it is gone. We're improving the property there the same way we improve the state by planting trees.
- $9,000 over 80 acres and down the road it will be able to be grazed more effeictly and a little more productive for a lease as a small investment for a significant rate of return for everybody.
- They do allow access and other projects we've funded don't. They might have money, but we don't ask others if they have money.
- I own land and when I have a brome problem I fix it myself. It's my responsibility to take care of the weeds on my property.
- Agree it needs to be done. I do my improvements myself and I provide access free of charge. They bought it to improve it. Why are we paying to improve it.

GR6-014 - South Central ND Habitat Enhancement - Dakota Heritage Foundation - $60,000

- Have serious reservations about this. My husband and his partners have dealt with Dave and he doesn't complete a project in a timely fashion. We spent $14,000 worth of seed, and he took 2 years, planted it at the end of the season and not much grew.
- He came to me and a legislator about his nonprofit status. On the first grant round we had an organization make an application that was only going to be a pass through. Petroleum Council was going to fund a position to help write grants and help manage these projects. I thought this was the same thing, it's a pass through - someone has to take control, take management.

GR6-015 - Cass County Wildlife Club Multi-range Project - Cass County Wildlife Club - $53,400

- Was this expansion or enlargement, it didn't appear to be. It looks like maintenance and let's get it back into shape. Not sure this qualifies under the law.
- Not expansion, just an enhancement - more maintenance and fixing what is wrong with it.
- Viewed this as maintenance for the most part and improvement of existing facilities.
- Couldn't tell us any numbers on use. It seems like they let it get run down and want to fix it up.
- This is the only outdoor public range that I'm aware of. Game and Fish have funded a couple indoor ranges at a high cost. There are not very many open ranges in the eastern part of the state.
- Given that it's a limited resource, they could probably be successful with Game and Fish range grant program. If it got to this point, what's to keep it from deteriorating again.

GR6-012 - Nature Park - Watford City Park District - $1,575,000

- I struggle with this - all the money is going into a building. Conservation isn't clear. I think there's a need for it, but not sure this is the program to fund it.
- I've looked at the criteria we've established. This is one entire comprehensive plan that funds a new park, so it does fit. If we're not comfortable with the building, let's back out the two big buildings, the restrooms and the pavilion and have that be the local share – have Watford City pay for that part of the project. There is a plan, it was adopted by the governing agency, and this area has been impacted by oil. They've tried to meet our criteria.
- This is more of an arts and humanities project. Buildings, overflow parking, parking, sidewalks, electricity is $1.185 million. The total project is $2.1 million and taking out all of that $1.185 million and they are asking for $1.575 million.

GR6-001 - Pelican Point Campground Extension - Stutsman County Park Board - $333,389

- No comments.

GR6-007 - Park River Parks & Recreation - Continuation of Phase 1 Community Park Development - Park River Parks and Recreation - $288,587

- No plan or list of plants - they need the plan together before they come.
- More important is the location of this. They have a dam – they are trying to use it as an educational tool and they are trying to reinventing the wheel here.
- Have we actually funded an arboretum to this point – no - if we were going to, would we expect them to get tiny plants or would we get larger ones.
- I think they can get larger ones if they knew what they wanted to plant and where they wanted to plant them.
- They didn't even know the soils – some of the soils were not conducive and they were still trying to figure that out.

GR6-002 - Saving Minot Retriever Club Grounds for Future Generations - Minot Retriever Club, Inc. - $144,000

- We know that there is public access and they're essentially creating a wetland.

- Mr. Steinwand, do you have any experience with this group - no. They're the only group with retrievers only like this.
- Don't think it meets the directive. They are creating a couple little wetlands.
- They're learning to hunt, and that is declining.
- Most of the time to train dogs you're in your backyard. This provides an opportunity to get people more involved and working with their dogs and introducing kids into working with their dogs more and getting the actual on the ground experience. Maybe they could deepen those areas - what are the depths now after the dam was breached - are they currently mosquito breeding grounds.
- We as a board are obligated to fit these projects under one of four directives. I don't think it fits.
- Here there is some habitat enhancement and outdoor recreation. It's open to the public which is a necessity. It does fit into the OHF theme that he imagines – it is a good project.
- I think it fits directive d – conserving or creating other areas for recreation – it is outdoor recreation.
- We have a bunch of state parks where you can take a dog out.
- No, it has to be on a leash.
- People that want to work with their dogs will. This won't help the public.
- I've been associated with a lot of dog clubs. This is a great project. It serves a lot of the directives that we were talking about. Form a young person's standpoint - young people in these clubs go on to become great sportsmen.

GR6-003 - United Tribes Technical College Nature Trail - UTETC - $103,850

- No comments.

GR6-008 - Tree Planting & Accessibility Improvements at Sheep Creek Dam & Raleigh Dam - Grant County Water Resource District - $44,631

- Someone illegally introduced pike. So we're going to kill that fishery out this winter. But it is a good point – it may be a good time to get some things done.
- What's the turnaround until it's viable – once we get enough water in it we could stock it next spring. Trout would be immediate; Bass and Blue Gill would be 2-3 years. Spring feed - it's mostly run off.
- Now is a good time to do it – trees take a while to grow. Dickinson Dam or Patterson Lake was killed off 3 years ago, and now people are catching pike. It is a good project.

GR6-011 - Shared Use Path Connection to Island Park - City of Fargo - $120,000

- This trail will get done anyway. Placed in a natural area would get more support but it's more of an urban trail.

GR6-019 - TMBCI Belcourt Lake Park Community Rest Rooms Project - Turtle Mountain Band of Chippewa - $36,000

- No comments.

GR6-006 - Downtown River Access for Grand Forks Greenway - City of Grand Forks - $126,805

- It's an urban area but yet it is accessing an underutilized resource for fishing, recreation and park development. It does fit within the recreation.
- Surprised with the number of 425 rentals last year. Thought it would've been utilized more than that – but they said they had to change locations.
- They have not come to Game and Fish for funding.
- If they don't get money from us is there another source - difficult to say, they're working on continuation of improving this area. They might find funds but anything we can do financially to

keep the project moving forward since we did provide some funding in phase one. It would fit and be a good project. It's a nice area. Use may increase as we go.

- Is this a different person planning this than the original one, it didn't seem to be an issue before - not sure. Thought a local architect donated time. This is a city greenway project not a park district so he can't answer that.
- Is this a type of project that would qualify for Game and Fish funding - it would qualify but is a lower priority. When younger, people are told to stay away from the river – we have been trying to promote the Red River as a recreational resource and this certainly helps. Whether Game and Fish would fund it at this cost with all the other demands they have is probably questionable at this time.

GR6-005 - The Mt. Carmel Dam Project - Cavalier County Water Resource Board - $129,927

- It appears that they have applied for funding to you previously, is it that big – Game and Fish did cost share on courtesy docks and a floating fishing pier. They did not apply in 2015. It's a small lake.
- Are the piers and docks still in place - they should be, docks have a fifteen to twenty year life and piers have a little less depending on the use and maintenance – if you don't take them out of the water in North Dakota they tend to get beat up.
- Concerned about surfacing material on shelter and playground. If it's funded there should be contingencies so it meets all the standards.
- The bay cleanout – are they trying to allow people to get up to the shore and get out of their boats - they'll drive stakes in to moor jet skis etc. and jump in the water because there is no more boating access – it was more of an emergency egress point – but that would be a maintenance issue too because you pound a post in the water in North Dakota, the ice will take it out by the following spring.
- Maybe they need more planning.
- Putting posts in to tie boats too – it's a liability issue if someone takes their shin out in the dark walking on the beach. Been on Van Hook when a storm came up and you think this is bad on a little lake, watch the mile long trailers trying to back into the water – it is not the solution, to put stakes in along the bank – people can throw their anchor on the bank and run away. It didn't seem well prepared with their playground and everything, the surfaces and sand for surface with wheelchairs it can't be done that way. The planning was not there yet on this project – the plot and intentions are good.

GR6-016 - Honey Bee & Monarch Butterfly Partnership - Pheasants Forever, Inc. $1,715,700

- This is a good project, but if we do give money we need to require access for sportsmen. There seems to be some difference of opinion on whether that was part of the usual contract or not.
- Two issues – level of funding and landowner payments which is the bulk of this and signage and second he does not like the sound of planting milkweed to attract butterflies that may attract something else.
- Milkweed is my greatest concern – milkweed is the noxious weed he has to deal with. It was a real problem not all that long ago and still is in some areas.
- Common milkweed is invasive, I believe showy isn't as invasive - but monarchs need it. This type of habitat can be very important for pheasants and other wildlife.
- Recognizing the issue with milkweed, it is a native plant - it's not like Canada thistle or spurge. The endangered species is an issue. It is critical to pheasants and it's why Pheasants Forever is involved. Honey bees can go up to a mile and efficiently get the nutrients they need to produce honey but they are expending more energy than what they gain.
- I have bee keepers on my property. They bring them here to recover for a period. Weather has more of an impact on any of this than whether we have the proper crops out there - we do plant diverse crops – sweet clover, alfalfa and things blooming year around for honey bees. The monarch butterflies – milkweeds happen to be an issue for a long time.

- They need flowers consistently. These are small acres that large equipment can't get into that they'll spray down anyway for weed control.
- Can we ask them not to plant milkweed.
- We need to get away from annual payments. I think they need to sit down with the agriculture community and weed boards. We could get a black eye for funding milkweed.
- It was asked if they could do the project without milkweed but he said it is a one or nothing so I rated it high when I scored it but it lost all my vote when he said they won't bend on putting the noxious weed in there – that is the message we will give him if that is the concurrence of this Board but if you are not going to bend, you're not going to get the money.
- Can we put a contingency on ourselves - yes, we can recommend it. There were other options recommended to them other than common milkweed.

GR6-009 - Arnegard Reservoir/Lake Peschek Rehabilitation - McKenzie County Water Resource District - $1,200,000

- Presenters could not make it.
- Can't see the benefit of it.
- Sediment came from somewhere. If you don't fix the inlet, it doesn't pay to take it out of the lake.
- This isn't a new project, it's a continuation.
- Tt's not a doable project long term.
- Is there a watershed project up there that they did to take care of the project - no) – so if they didn't take care of the problem before hand – what's the use of dredging the lake if it is going to fill in with silt again - there's no point in dredging it. (Someone from audience said it's been done.)
- It sounds like some calculation differences on the amount of dredging necessary to restore it – yes, our biologist calculated four times the amount proposed to restore the bottom of the reservoir to its original depths.
- Do we have a history of fixing the problem and dredging it with a good outcome - we do it for boating access. It's been a short term situation because it does silt back in and if you don't deal with the watershed you are going to recreate history down the road. We've seen some short term positive results, how permanent they are remains to be seen.

The Board then completed their scoring and ranking sheets and provided the ranking sheets to staff to compile.

Mr. Greg Sandness with the State Health Department provided an overview on the Section 319 Program. He reviewed what the program addresses- water quality is one major focus, how the funding process works and the types of projects that they fund. He provided the following Powerpoint presentation:

What is Non-Point Source (NPS) Pollution

- Pollution caused by diffuse sources not regulated as a point source
- Polluted runoff

Common NPS Pollutants Being Addressed in ND

- Sediment
- Nutrients (nitrogen & phosphorus)
- Livestock manure (nutrients, pathogens TSS)
- Pesticides

Section 319 Funding for NPS Pollution Management Projects

- Funds are acquired through an annual grant application process (In the last 2 to 3 years there has been $2.8 million available annually.)

- Targeted toward local "driven" projects
- Local sponsors are responsible for the development of the project plans
- Funds are awarded for up to 4½ years
- 60/40 cost share rate
- Local project sponsors manage the funds awarded for their project
- Eligible costs include staffing, best management practices, some equipment and other costs related to project implementation.

Types of Eligible Section 319 Projects

Assessment

- Identify beneficial use impairments and determine the sources and causes of NPS pollutants impairing the beneficial uses of the targeted waterbody

Education/Demonstration

- Increase public awareness of the sources/causes of NPS pollution as well as the solutions to reduce the delivery of NPS pollutants to nearby waterbodies

Watershed

- Deliver financial and technical support for the planning and implementation of practices that will address the sources and causes of NPS pollution

Education Projects

- Statewide CO ED Program
- Ranchers Mentoring Program
- Foster Co. TREES
- Discovery Farms
- Envirothon Program
- Project WET
- NDSU Nutrient Management Education Support Program

Support Projects

- NPS BMP Engineering Team
- Riparian Ecological Site Description Development
- Livestock Pollution Prevention Program
- Stockmen's Association Environmental Services Program

He provided a map that showed the active project areas as of March 2015. He noted that this map changes every year.

Mr. Sandness responded to a number of questions from the Board regarding leases and easements; how to encourage best management practices; and how to address the problem where it starts.

Mr. Sandness said the fix is trying to address the problem where it starts, that is the fix and that is why he goes back to the challenge that we are seeing out there is you need a cooperative producer and landowner to come on board and there are a lot of them out there. You also have some that they are very prosperous in what they are doing and they did it for a very long time so to bring about change that's been there for generations is not something that we get accomplished very quickly. That is why we do have an educational program with all these watershed projects and it is trying to bring the new ideas into that area on how to better manage cropland, rangeland or whatever it may be but the intent is it take care of NPS at the source which is at the field level. Filter strips, riparian buffers – honestly those are band aid practices in a sense that they are put in place to take care of wrongdoing above them – that is what they are, they are filter strips but if that is all you can get in that watershed and you have willing landowners to either

manage that land differently in terms of switching it from cropland to permanent vegetation – that is a win at least at that level.

In response to a question regarding having a producer with a livestock yard in the winter right on the edge of the river – is that prohibited or can it be made to go away without paying to correct the producer's problem, Mr. Sandness said this is the federal government at work. You have point source and nonpoint. Point source stops at a 1,000 animal unit and below that it becomes a nonpoint source issue so that is kind of a separation of what we fund. We won't fund systems – he is talking beef when he talks 1,000 there are stricter numbers for other animals – so above 1,000 that is point source that managed through a permitting program, below that is considered nonpoint so it is eligible for a Section 319 financial support to address those. There are State rules in place that go down to 300 that require approval to operate but that is at State level so our funding can be used for system below that threshold number. They are an issue, there are a lot of them out there and the way they have been addressing those is full containment system. It shuts the problem off. More recently for some of the smaller ones we have been looking at getting them out of that confined feeding setting, get them to use cover crops through fencing, water developments and portable wind breaks – kind of manage their way out of that situation and get them up in the uplands – it is much cheaper to go that route.

In response to a question regarding a 319 we funded that paid for cover crop and what is actually paid on it, Mr. Sandness said it is just seed costs at a cost share of 60/40. Our cost we try to keep to actual measurable costs, something with a receipt or bill if we can. There are a few management practices we pay for which are basically an incentive payment – we do kind of grab a number out of the air on some of the management costs but a lot of our costs are based on actual documented costs which comes through receipts.

The Board reviewed the Summary and Review of 319 Best Management Practices OHF Survey. (A copy of the Summary is available in the Commission files.) The Board then discussed which 319 Program Best Management Practices should be allowed in future OHF Grant Round submissions.

Mr. Moser inquired if we needed a standalone meeting to address some of these policy issues. Mr. Melchior said he goes back and forth on this one, what components should or should not be funded. His preference would be that we include in our application that if there are 319 funds involved to require the applicant to identify what the 319 funds are being used for and what they are requesting our funds for. Then the Board can make a decision of whether or not that specific BMP is something we want to fund or assist in funding. Under that scenario instead of just making an application for all eligible 319 projects the application would need to state that the applicant is going to spend "X" number of dollars on this specific practice.

It was moved by Mr. Melchior and seconded by Mr. Godfread that in the application form, the applicant must detail the amount of 319 funds and exactly what specific project(s) they will be used for as well as what they are requesting OHF funds for.

Mr. Hutchens said we know we are opposed to some things and the one we all agreed on was the windbreaks that were portable – should we list those so before someone makes an application they already know what we are definitely not going to pay for? Mr. Melchior said under our existing application form it already says that personal property that is not affixed to the land is not a consideration for funding and portable windbreaks are not affixed to the land so it is already covered.

On a roll call vote Bina, Elkin, C. Godfread, J Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, and Stockdill voted aye and no one voted nay with Aasmundstad absent and not voting. The motion carried.

Consideration of policy issues which would impact the Application Form/Budget Form as follows:

1. Information on tree plantings submissions
2. Should cultural reviews be required?

Policy Issues Impacting Application Form/Budget Form/Contracts

At the recent Outdoor Heritage Fund Technical Committee meeting there was discussion about the information that is included in the applications regarding tree/shrub plantings. We frequently ask the Board's technical advisors for their comments on these applications. It is difficult for them to comment on these applications without more information. The following is a proposed amendment (highlighted in yellow) to the application form that would result in more detail for the technical advisors as well as the Board to make a determination of whether funding should be awarded for these types of projects:

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program *
Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Please indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. If your project includes tree/shrub planting, please provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree and shrub planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan. Please note that if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

Cultural Reviews

Since the last Board meetings staff has been asked if Cultural Reviews are required when Outdoor Heritage Fund dollars are utilized. This topic is not covered in the Outdoor Heritage Fund contracts. The State Historical Society website contains the following information about Cultural Reviews.

State Review
North Dakota Century Code 55-02-07 states:

Any historical or archaeological artifact or site that is found or located upon any land owned by the state or its political subdivisions or otherwise comes into its custody or possession and which is, in the opinion of the director of the state historical society, significant in understanding and interpreting the history and prehistory of the state, may not be destroyed, defaced, altered, removed, or otherwise disposed of in any manner without the approval of the state historical board, unless section 55-02-07.2 applies to the site. Notification of the director's opinion of significance must be communicated to the appropriate governing official. The state historical board through the director, within sixty days of written notification to it by the appropriate governing official of the state or political subdivision's desire, need, or intent to destroy, alter, remove or otherwise dispose of a significant artifact or site, shall provide the governing official written direction for the care, protection, excavation, storage, destruction, or other disposition of the significant artifact or site. The state and its political subdivision shall cooperate with the director in identifying and implementing any reasonable alternative to destruction or alteration of any historical or archaeological artifact or site significant in understanding and interpreting the history and prehistory of the state before the state historical board may approve the demolition or alteration.

Cultural Resource Inventories in North Dakota

(from North Dakota SHPO Guidelines Manual for Cultural Resource Inventory Projects. SHSND, Bismarck, North Dakota, 2012)

North Dakota Century Code (NDCC 55-03 & NDAC 40-02-02) outlines the permitting process for cultural resource investigations, and the SHSND is charged with the responsibility of implementing the permitting process on an annual (calendar-year) basis. Additional information regarding the permitting process may be obtained by contacting the SHSND Chief Archeologist or by downloading a Permit application cover letter and form.

Identification of cultural resources is an obvious prerequisite to a determination of their significance, to the evaluation of impacts on such resources, and to the planning of methods for the preservation of the resources or the mitigation of identified impacts. Once an undertaking's impacts on significant resources have been evaluated, it will then be possible to ascertain whether data recovery constitutes appropriate mitigation, whether some other mitigative measure must be developed and implemented, or whether the project should be reevaluated, redesigned, or relocated.

Although the exact activities necessary for the identification of cultural resources will vary, depending on the nature of federal or state land holdings or jurisdiction and on the nature of the proposed undertaking itself, one or more of the following steps will generally be required:

Pre-Field Research - Class I: Literature Search

Documentary research is the starting place for all inventory efforts. Systematic study and evaluation of documentary data will usually permit predictions to be made about the kinds and distribution of cultural resources that may be encountered in an area. Such study may also make it possible to develop a broad evaluation framework within which the significance of particular cultural resources can be judged. Finally, background research will aid in pinpointing cultural resources that have already been adequately documented, or cultural resources that are known but need further study to obtain full documentation.

Class II: Reconnaissance Inventory

In some situations, a Class II: Reconnaissance Inventory may be an acceptable strategy in combination with a Class I. Class II is usually used only as a methodology in large scale projects for locating areas with good or better cultural resources potential which would require investigation at the Class III level. Prior to undertaking a reconnaissance inventory, a Class I must be conducted in order to determine whether previously recorded cultural resources exist within the proposed project area, and to determine whether portions of the project area have been adequately surveyed in the recent past.

Only the lead agency in consultation with the ND SHPO can require that a Class II be conducted instead of a Class III Inventory. Private contractors permitted under the state for conducting archaeological work cannot make such determinations on their own in the field unless the lead agency and the ND SHPO have agreed to this method.

Class III: Intensive Cultural Resources Inventory

An intensive inventory is a systematic, detailed field inspection done by, or under the direction of professional architectural historians, historians, archeologists, and/or other appropriate specialists. This type of study is usually required to formulate a preliminary determination of the significance of resources and their eligibility for listing in the NRHP and/or the North Dakota State Historic Sites Registry. It is preceded by adequate literature search (Class I), and, sometimes, by a reconnaissance effort (Class II).

A comprehensive, systematic effort is made to identify all resources within the area of concern that might qualify for the NRHP and/or the North Dakota State Historic Sites Registry, and to record

information sufficient to permit their evaluation or to indicate what further work is necessary to accomplish their evaluation. All cultural resources should be evaluated against the criteria established at 36 CFR 60.6 (redesignated 36 CFR 1202), and supporting documentation should be developed with reference to guidelines published as an attachment to interim regulations at 36 CFR 63 (redesignated 36 CFR 1204) in the Federal Register on Wednesday, September 21, 1977, Vol. 42, page 47666.

Professional personnel of the HPD are available to consult with other federal, state, and local agencies, or private concerns, about applying these guidelines to particular circumstances.

There are a number of issues related to Cultural Reviews.

- Generally Cultural Reviews are required when Federal funding is involved.
- Based on the provisions of NDCC 55-02-07 should cultural reviews be required only in the state agency and political subdivisions contracts? There are additional guidelines for Cultural Reviews related to tribal lands.
- As noted above there are different levels of Cultural Reviews. Rhonda Kelsch (Vetsch) has considerable experience with this topic and will be able to respond to questions.
- These levels result in different costs. If the Board/Commission requires the Cultural Reviews then should the related costs be paid with OHF dollars?

Mr. Moser said one discussion they had in the technical committee was when people put on their application they are going to plant trees – we really do not have a lot of information and this needs to be detailed further. Ms. Godfread said that is also true for grasses and plant species.

Ms. Fine said she asked Mr. Kotchman if he would give us sample language to go into the application which she highlighted in yellow and we could include what Ms. Godfread said regarding grasses. It says if you project includes tree shrub planting please provide a planting plan describing the site design, planting methods, number of tree shrubs by species and stock size and future maintenance. The statement certifies the applicant will adhere to USDA NRCS Tree and Shrub Planting Specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan. She could add “trees, shrubs/grass” it will work.

It was moved by Mr. Kuylen and seconded by Mr. Hoffman that if your project includes tree, shrub/grass planting, please provide a planting plan describing the site design, planting methods, number of trees/shrubs by species and stock size, and future maintenance. A statement certifying that the applicant will adhere to USDA-NRCS tree and shrub planting specifications along with the name of the governmental entity designing the planting may be substituted for a planting plan.

In response to a question regarding are there going to be situations at application time that the applicant will not know that information; if there will be times where they have not done soil work or certain things they know they have to have before planting, Mr. Kotchman said there will be. In the case of the statewide tree planting initiative, for example, not all of those planting plans are done in advance of that project coming for consideration so that is why they added in there that they shall adhere to the USDA-NRSC which will take care of it all because under that condition you can’t plant any kind of a project without a site specific tree planting plan.

On a roll call vote Bina, Elkin, C. Godfread, J Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, and Stockdill voted aye and no one voted nay with Aasmundstad absent and not voting. The motion carried.

Mr. Moser went to the next item which is should a cultural review be required.

Ms. Fine said what happened during the last interim was some of the applicants called in and asked if they had to have cultural reviews done. She had not had that question before so it was discussed at the technical committee level. Ms. Fine and Ms. Kelsch reviewed the information in the white paper and Ms. Kelsch discussed how the Soil Conservation Districts deal with this requirement.

Mr. Melchior said because these are state funds, we should require cultural reviews. The Class One and Class Two costs should not be much. If it gets to Class Three, the project is probably not going to happen.

In response to a question regarding paying for the cultural reviews, Ms. Kelsch said they did not pay for them under Phase 1 because when they wrote the first grant it was not an allowable expense in the application. The Phase 2 application heard today will allow for funding from the OHF dollars on a 60/40 cost share basis.

In response to a question regarding if someone owned land for 70 years and wanted to plant trees would they still have to have the historical walk, Ms. Kelsch said yes. She explained how that has worked with the NRCS staff involvement.

Mr. Reierson said there is enough state and federal regulation. He suggested that staff advise the entities that there maybe this requirement and they need to comply with that law. He did not support adding an additional requirement for OHF dollars.

Mr. Moser clarified as we move forward in future applications other than the SCD today mentioned it, if it is approved today we would pay 60/40 on a cultural review however we will not pay on others unless they specifically ask it and it is required.

Mr. Melchior said if they come in and bring it up, as a matter of practice we can fund it – today's request was a 60/40 funding match– if it comes up and they ask for it we consider it, if they don't we assume they are checking the law and the rules and abiding accordingly.

Ms. Fine said the contract does state they have to comply with all state laws. If needed, she will tweak the contract to make it clearer.

The Board then took up the Grant Round 6 applications.

Ms. Fine stated there was one conflict of interest by Ms. Stockdill on application GR6-016.

Mr. Moser said each Board member handed in their funding pages and the results were compiled. He asked that each Board member check the results to make sure their numbers had been inputted correct. Those applications that had six or more zero funding were identified. If anyone desires, they can be pulled off to be discussed separately.

Ms. Stockdill asked for a separate vote on GR6-002.

Mr. Moser listed the projects that did not get the required votes and will be handled as one motion and they are 4, 13, 14, 15, 12, 1, 7, 3, 11, 19, 5, 16 and 9 so there is a total of seven projects that will be dropped. They will vote on 7 projects separately.

It was moved by Mr. Reierson and seconded by Mr. Hutchens that the following applications not be recommended to the Industrial Commission for Grant Round 6 funding:

GR6-004 - Wild Rice River Restoration and Riparian Project Phase III
GR6-013 - Davis Ranch Field Restoration
GR6-014 - South Central ND Habitat Enhancement
GR6-015 - Cass County Wildlife Club Multi-range Project

GR6-012 - Nature Park - Watford City Park District
GR6-001 - Pelican Point Campground Extension
GR6-007 - Park River Parks & Recreation
GR6-003 - United Tribes Technical College Nature Trail
GR6-011 - Shared Use Path Connection to Island Park
GR6-019 - TMBCI Belcourt Lake Park Community Rest Rooms Project
GR6-005 - The Mt. Carmel Dam Project
GR6-016 - Honey Bee & Monarch Butterfly Partnership
GR6-009 - Arnegard Reservoir/Lake Peschek Rehabilitation
On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson, Stockdill voted aye with Aasmundstad absent and not voting. The motion carried.

Mr. Moser said the Board will vote on funding award recommendations in the order they were presented.

It was moved by Mr. Kuylen and seconded by Mr. Elkin that the ND Statewide Conservation Tree Planting Initiative application submitted by the ND Association of Soil Conservation Districts be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $2,050,000 (Application GR6-018). On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted aye with Aasmundstad absent and not voting. The motion carried.

It was moved by Ms. Godfread and seconded by Mr. Godfread that the Alkali Lake Habitat Enhancement application submitted by the Audubon Dakota be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $207,057 (Application GR6-020).

Mr. Moser said he reduced the funding – he took what the project costs were and took 60 percent of it and subtracted out what they got from NRCS so that we handle this ranch just like any other rancher that wanted to come in with a grazing plan. That the ranch is going to have a 40 percent commitment just like a rancher. He likes the project but if we are going to be consistent with skin in the game, he thought the ranch should have skin in the game. They are renting that to the landowners out there, they are going to have income and have an opportunity to pay for that. He wanted to be consistent because an individual rancher cannot come in here and make the presentation like a nonprofit can.

It was moved by Mr. Hoffman and seconded by Mr. Bina amended the funding amount to $118,200 (Application GR6-020). On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser and Stockdill voted aye Mr. Reierson voted nay with Aasmundstad absent and not voting. The motion carried.

It was moved by Mr. Hoffman and seconded by Mr. Bina that the Alkali Lake Habitat Enhancement application submitted by the Audubon Dakota be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amended amount of $118,200 (Application GR6-020). On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted aye with Aasmundstad absent and not voting. The motion carried.

It was moved by Ms. Godfread and seconded by Ms. Stockdill that the Working Grassland Partnership application submitted by the North Dakota Natural Resources Trust & 3 Co-applicants be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $1,097,250 (Application GR6-017).

Mr. Moser suggested that they might want a contingency requiring that they follow either NRCS or SCD standards on cost share amount of not to exceed. Ms. Godfread said they had a reference in their application that they would be following NRCS.

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

It was moved by Mr. Hutchens and seconded by Mr. Godfread that the North Dakota Hen House Project II application submitted by the Delta Waterfowl be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $26,100 (Application GR6-010) on contingency they do not use OHF funds for the purchase of equipment for $500. On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Reierson and Stockdill voted aye and Melchior and Moser voted nay with Aasmundstad absent and not voting. The motion carried.

It was moved by Mr. Hoffman and seconded by Mr. Godfread that the Saving Minot Retriever Club Grounds for Future Generations application submitted by the Minot Retriever Club, Inc.be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $144,000 (Application GR6-002). On a roll call vote Elkin, C. Godfread, Hoffman, Hutchens, Reierson and Stockdill voted aye and Bina, J. Godfread, Kuylen, Melchior and Moser voted nay with Aasmundstad absent and not voting. The motion carried.

It was moved by Mr. Godfread and seconded by Mr. Hutchens that the Tree Planting & Accessibility Improvements at Sheep Creek Dam & Raleigh Dam application submitted by the Grant County Water Resource District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $44,631 (Application GR6-008).

They discussed personal property being in the budget such as picnic tables, etc. Ms. Fine asked if they wanted to consider this as an extenuating circumstance. Mr. Moser indicated that he did not believe it met that definition. In response to a question regarding what the amount was for equipment, Mr. Moser said it is $1,789 for Sheep Creek and $1,458 so that is $3,247 that would be considered equipment.

It was moved by Mr. Kuylen and seconded by Mr. Godfread that the Tree Planting & Accessibility Improvements at Sheep Creek Dam & Raleigh Dam application submitted by the Grant County Water Resource District that the Outdoor Heritage Fund funding be amended to the amount of amount of $41,384 (Application GR6-008). On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted aye with Aasmundstad absent and not voting. The motion carried.

It was moved by Mr. Godfread and seconded by Mr. Hutchens that the Tree Planting & Accessibility Improvements at Sheep Creek Dam & Raleigh Dam application submitted by the Grant County Water Resource District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amended amount of $41,384 (Application GR6-008). On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted aye with Aasmundstad absent and not voting. The motion carried.

It was moved by Mr. Bina and seconded by Mr. Godfread 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 $126,805 (Application GR6-006).

There was discussion regarding what the long range plan was and how many phases there would be.

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

It was moved by Mr. Bina and seconded by Mr. Reierson 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 $100,000 (Application GR6-006). On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hutchens and Reierson voted aye and Hoffman, Kuylen, Melchior, Moser and Stockdill voted nay with Aasmundstad absent and not voting. The motion carried.

Mr. Hutchens presented an update on work done by the Model Project Subcommittee as follows:

Model Project Subcommittee Report
November 30, 2015

Previously you were provided the following information regarding the actions of the Outdoor Heritage Advisory Board Model Project Subcommittee.

The Outdoor Heritage Fund Model Project Subcommittee met on August 18, 2015 with the following members present: Dr. Tom Hutchens, Jim Melchior, Wade Moser, Patricia Stockdill
Because of scheduling conflicts the absent members were Eric Aasmundstad and Kent Reierson

Also in attendance were:
Rhonda Vetsch, Emmons County Soil Conservation District
Terry Steinwand, Game and Fish
Kevin Kading, Game and Fish
John Devney, Delta Waterfowl
Jonas Davis, Ducks Unlimited
Keith Trego, ND Natural Resources Trust
Andrea Travnicek, ND Governor's Office

Dr. Tom Hutchens was elected to serve as Chairman of the Subcommittee.

After presentations by Rhonda Vetsch, Emmons County Soil Conservation District, and Kevin Kading and Terry Steinwand, Game and Fish Department, and discussion by the subcommittee members and others in attendance the following action was taken by the Outdoor Heritage Fund Model Project Subcommittee:

It was moved by Wade Moser and seconded by Jim Melchior that the Outdoor Heritage Fund Advisory Board ask that the local Soil Conservation Districts take the lead, along with identifying willing partners, in putting conservation proposals together (similar to the Emmons County Grant Round 5 proposal) that would:

1. ***Identify expiring Conservation Reserve Program (CRP) contracts and convert these lands to production by installing practices (water, fences & management) that would promote leaving these lands in grass (or reseeding specific species to improve the grass stand) that will make them useful for grazing.***
2. ***Identify existing grasslands that need improvements (water, fences & management) through installing conservation practices and management changes.***
3. ***Identify tracts of poor quality tillable and saline land that should be converted to grass for grazing, haying, and wildlife by implementing the appropriate conservation practices.***

4. ***Identify participant's names and contact information and make them available for public access requests.***

These lands be given a high priority in funding through the Outdoor Heritage Fund by providing cost share for installing conservation practices as well as provide funds to the local Soil Conservation Districts for additional staffing to implement these projects.

The goal is to provide more acres of high quality productive grassland that will benefit both livestock and wildlife.

On a roll call vote, Moser, Melchior, Stockdill and Hutchens voted aye and no one voted nay. The motion carried unanimously.

Some of the points discussed included:

- *Applicants could be one soil conservation district or multiple soil conservation districts;*
- *Applicants could be an entity other than a soil conservation district but should work with a soil conservation district, needs to be a clear understanding of who is in charge and who is liable as it relates to oversight/management;*
- *Details on what management requirements are included in the Emmons County proposal such as weed control, haying dates, active management by the applicant such as two visits a year with the landowner at the land site;*
- *When payments are made;*
- *What should be done in those areas where grazing/haying is not cost effective such as around Cando or Forman;*
- *What are the risks if the landowner does not properly manage the lands after already receiving payments;*
- *Importance of having grassroots partnerships;*
- *Consider open, flexible projects that meet the needs of the producers;*
- *Success will be promoting proper management of the land--the producer has to manage the land and not just implement a best management practice and then not manage the land;*
- *This proposal isn't the answer to all the issues but is a start and one where we believe there is sufficient funding within the Outdoor Heritage Fund to begin the implementation of moving CRP acres into working lands that benefit both the producer and the wildlife interests;*
- *A different proposal may be needed for wetland or saline areas;*
- *Land rental payments; incentive payments; when are they needed; this model concept does not include land rental payments being made by the Outdoor Heritage Fund; don't believe it is necessary at this point; if partners are willing to make the land rental payments the application will be looked at but is not preferred;*
- *A different proposal with incentive payments may be needed where lands are productive but that should come at a later date;*
- *Some concerns about whether there is the manpower to initiate the best management practices;*
- *If adopted by the Commission and the OHF Advisory Board how will it be rolled out?*

It was clearly stated that this model project <u>does not exclude</u> any other proposal from being submitted and considered. This model project has been developed based on questions from applicants as to what we are looking for in the "larger" countywide/regional/statewide projects.

Karlene was asked to find a date for another meeting -- to look at the concepts that Terry Steinwand had presented, in particular the concept for state lands.

On September 16 the OHF Advisory Board was provided a transcript of the discussion that took place at the August 26 Industrial Commission meeting. No action was taken by the Commission at their

meeting. They indicated that the concept presented had merit and suggested that there may be a need for an additional concept for the Subcommittee to discuss. The Governor indicated that he had some thoughts about a concept that he wanted to present to the Subcommittee. **The Governor is in the process of finalizing that concept and has asked that the next Subcommittee meeting be scheduled when he can attend and discuss his concept. At this point the Subcommittee is in a holding pattern.**

Ms. Fine gave a summary report on projects as follows and showed pictures that had been posted on the website:

Summary of Projects

5 Grant Rounds have been completed
83 contracts have been written
3 projects were withdrawn (2 Spirit Lake and 1 for Valley City/Golf course riverbank)
25 projects have been completed/some just need to send in final pictures or paperwork
55 active projects

Projects that were completed:
Bismarck Parks and Recreation - Trailhead/Neighborhood Park - 001-008
4-H Camp - butterfly garden & pollinator gardens & native plantings - 002-029
Lake Tschida Wildlife Trail - 003-039 - birdhouses, trail, signage, playground
319 first phase completed - 001-009
Minot Woodland Trail - 002-023 - Came in under budget - will be returning a portion of their commitment
Drayton Campground - 003-041
Urban Initiative - 003-048
Sheep Creek -004-063
Barnes Lake - 005-066
Bismarck Pheasants Forever Habitat Initiative - 003-046 tree planting

Updates on ongoing projects:
Northern Cass Pass - Railway Trail between Hunter and Arthur - 002-025 - tree plantings
Hen House Project - 001-005
Fingal Wildlife Club - 003-043
Brown Ranch - 003-045
Norsemen - 004-054
Bottineau Winter Park - 005-081

In response to a question regarding the first grant round awards where some projects do not have a report posted on the website, Ms. Fine said she has granted a number of extensions because of conditions that have happened. She gave an example--Eddy County not being able to proceed because of the level of Devils Lake. She has been in contact with the entities if they have not submitted their reports on a timely basis. Some projects only have to submit annual reports and if they had gotten an extension they may not have a report due at this time. She has been in contact with all the project managers.

Mr. Moser wanted everyone to understand what is going on with the Game and Fish Outdoor Heritage Habitat Program. The OHF provided $1.8 million of which $1.5 million was going to PLOTS. He was under the impression that PLOTS dealt with access but $1,750,000 went to CRP contracts for eleven producers – it actually overspent our dollars but they are going to pick that up on their own. He was not aware of that but if he would have been he doesn't think he would have supported it. He was under the impression it was access. Not only did they renew these contracts from six to ten years and went from $60.00 to $80.00 per acre; they also paid PLOTS acreage rentals on top of that. He was disturbed by it

and wanted the Board to know that that's where $1.5 million went – to eleven producers and one person is getting $555,000 for it.

In response to a question regarding it just being for PLOTS payments not for a CRP contract, Mr. Moser said if you read the application it is not really clear that they were talking about CRP but he was under the impression that PLOTS was going to rent the CRP acreage – he didn't know that when the CRP contracts ended that they were going to pick up those payments. There are five landowners that received ten year renewals and seven landowners that got six year renewals. He knows that because one of the landowners had rented it for one year to a producer in the county and he went to the SCD to find out how he could improve it because it so full of weeds – when he went back to rent it the landowner said he got a better deal, the government rented from him. The Board needs to know that – he didn't know if there was a report yet that talks about that acreage but Kevin Kading provided him with the names of the producers. That is where he learned how difficult it was to find out information from the government. He was trying to find out if these people were actually residents in the county, are they producers, are they active producers – he found out about every one of them but it wasn't through a government agency.

Mr. Moser discussed the next meeting date. The next deadline for projects is March 1 and normally the meeting is scheduled six weeks after that date. He asked if it would be easier for staff if they had more time between submission and the meeting to allow time for the summary sheets to be prepared – people really appreciate the summary sheets. Ms. Fine indicated that she thought they could make it work if the meeting is toward the end of April. After discussion it was suggested that the Advisory Board look at the week of April 17.

Mr. Moser stated they need to election a Chairman and Vice-Chairman for a 1 year term. He asked for nominations for Chairman.

Mr. Kuylen nominated Mr. Moser due to the excellent job he has done as Chairman. Mr. Moser said everybody is capable of doing this. He appreciated it but in the beginning he stated it was something that should be moved around.

Mr. Reierson nominated Mr. Jim Melchior as Chairman which was seconded by Mr. Bina. Mr. Moser called for any other nominations, nominations ceased and a unanimous ballot was cast for Mr. Melchior with everyone present voting aye.

Mr. Moser then asked for nominations for Vice Chairman.

Mr. Reierson nominated Mr. Jon Godfread as Vice Chairman which was seconded by Mr. Hoffman. Mr. Moser called for any other nominations, nominations ceased and a unanimous ballot was cast for Mr. Godfread with everyone present voting aye.

Being no further business, Chairman Moser adjourned the meeting at 4:30 p.m.

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Wade Moser, Chairman

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Recording Secretary