Minutes of a Meeting of the Outdoor Heritage Fund Advisory Board
Held on April 22, 2016 at 8:00 a.m.
DMR Conference Room, 1000 E Calgary
Bismarck, ND

Present: Jim Melchior, OHF Advisory Board Chairman
Jay Elkin, OHF Advisory Board
Randy Bina, OHF Advisory Board
Carolyn Godfread, OHF Advisory Board
Jon Godfread, OHF Advisory Board
Paul Clarys, OHF Advisory Board
Tom Hutchens, OHF Advisory Board
Bob Kuylen, OHF Advisory Board
Wade Moser, OHF Advisory Board
Kent Reierson, OHF Advisory Board
Patricia Stockdill, 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 Melchior called the meeting of the Outdoor Heritage Fund Advisory Board (“Board”) to order at 8:00 a.m. with a quorum being present. Board member Moser requested that two items be added to the April 22 agenda -- 1) application process and 2) Ducks Unlimited letter.

The November 30, 2015 and March 15, 2016 meeting minutes were presented. (Copies are available in the Commission/OHF files.) It was moved by Mr. Kuylen and seconded by Mr. Godfread to approve the November 30, 2015 and March 15, 2016 minutes as presented. The motion carried.

Ms. Fine, Industrial Commission Executive Director, presented the financial report as follows: (A complete copy is available in the Commission files.) She explained the format was changed as requested by Chairman Melchior to show revenues and program commitments from July 1, 2013 to the current date of March 31, 2016.

| Outdoor Heritage Fund Awards & Revenues July 1, 2013 - March 31, 2016 |
|---------------------------------|-----------------------------------------------|
| Grant Round One Awards          | $5,848,133.00                                 |
| Grant Round Two Awards          | $2,509,428.00                                 |
| Grant Round Three Awards        | $5,752,839.00                                 |
| Grant Round Four Awards         | $5,202,225.00                                 |
| Grant Round Five Awards         | $4,464,906.00                                 |
| Grant Round Six Awards          | $3,593,093.00                                 |
| **Total**                       | **$27,370,624.00**                            |

Returned Commitments

| GR1 - 13 - Artificial Nesting Habitat Improvement | $5,565.00 |
| GR1 - 14 - Mapping of Tribal Land for Sportsmen | $8,568.00 |
| GR2 - 23 - Centennial Park Woodland Trail (Phase 1) | $128,244.86 |
| GR3 - 36 - Graner Bank Stabilization            | $16,803.18 |
| GR3 - 45 - Brown Ranch Habitat Enhancement      | $154.31 |
| GR4 - 58 - Sheyenne River Bank Stability Restoration | $197,550.00 |
**Outdoor Heritage Fund (294) Financial Report**

**2015-2017 Biennium**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Total Awards less Returned Commitments</td>
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<tr>
<td>Total Actual Revenues July 1, 2013 - March 31, 2016</td>
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<td>Difference between Awards and Revenues</td>
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<td>Estimated February 2016 Revenue Forecast for April, 2016 - June, 2017</td>
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<td>Available for Funding Awards</td>
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<table>
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<tbody>
<tr>
<td>Cash Balance</td>
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<tr>
<td>July 1, 2015 Balance</td>
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**Outdoor Heritage Fund**

**Continuing Appropriation Authority**

**2015-2017 Biennium**

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<tbody>
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<td>Revised 2/01/2016 Forecast</td>
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<td>Balance July 1, 2015</td>
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<td>$(150,000.00)</td>
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<tr>
<td>Project Commitments 2015-2017</td>
<td>$(3,593,093.00)</td>
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<td>Available Funding Authority</td>
<td>$32,358,428.76</td>
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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.

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;

Mr. Ryan Skor, Director of Finance of the Office of the State Treasurer, presented a slide presentation regarding how oil and gas revenues are distributed. (A copy of the presentation is available in the Commission’s files.) He reviewed the adjustments that have been made based on the revised oil and gas revenue forecasts and explained how the calculations (as established by the Legislature) are used to determine the amounts received by the OHF and the other funds that receive oil and gas tax revenues. Currently every month $4.2 million goes to hub cities, $1.25 goes to hub cities schools, $750,000 goes to other schools and then the entities that have a percentage allocation -- OHF has an 8 percent allocation -- receive their amount of the remaining monthly revenues and then what is left is transferred to the Oil Impact Grant Fund. He indicated that the Treasurer’s Office is in discussions with the Attorney General’s Office regarding what process they should use in allocating dollars if there are insufficient revenues to fund all the entities as outlined in the law. One concept they are looking at is creating a payable so when revenues increase an entity that did not receive their full amount or percentage in one month could receive that amount at a later date. He indicated that he will be updating Ms. Fine each month on how the calculations are working and if there will be a need to create a payable.

Mr. Skor responded to a number of questions:
- What is a payable? The difference between what the OHF should have been paid (based on the 8% requirement in the law and what the Treasurer’s office actually could pay.
- If oil prices remain low, does the payable carry over to next biennium? The answer is unclear at this time. The State Treasurer is checking with the Attorney General.
- Is there any discussion going on to fix the formula? The Treasurer’s Office staff has been showing legislators the issue. It might fix itself because employment numbers will be lower the second year of the biennium which will impact the amounts that are distributed first to the hub cities, etc. Next biennium the formula goes back to using mining employment numbers and the percentages will be much lower for those entities receiving the set dollar amounts.
- Who makes the decision to not distribute monies to the Oil Impact Fund? The Treasurer’s Office made that decision based on the statute. Hub cities have a definitive amount stated in law. OHF has a percentage in law. The Oil Impact Fund did not have a definitive amount or a percentage. It was to receive all the remaining amounts after the other disbursements had been made.

In response to a question regarding what the Board could use today in reviewing the Grant Round 7 application requests that total $8.3 million, Ms. Fine said although the Fund currently has cash of $18 million the Board should look at the $5.3 million number on the financial report which reflects the revised forecast of funds that are uncommitted that will be available for the biennium. She did note that there will be another forecast in July/August of this year. As of now based on the new OMB forecast the amount of uncommitted funds is $5.3 million for the biennium.

Board members expressed caution of committing dollars to projects when the funds are not projected to be available during the biennium. It was noted that there are two more grant rounds this biennium. It was
suggested that the staff prepare a gantt chart showing how the dollars are scheduled to be paid out over time such as a ten year period. Ms. Fine said you have to remember expenditures are based on actual work so she can develop a chart and build it based on what is proposed in the applications but generally it will be distributed slower than what was proposed.

Mr. Moser said he appreciated what the Treasurer’s Office had proposed in regards to payables but in the end it will be the Legislature that dictates how the distribution formula will be adjusted. It was his recommendation that the Board be cautious about spending—he didn’t know how good the estimates were. He recommended that the Board set a target now as to how much they wanted to allocate for this round so we go into this with our eyes wide open.

It was moved by Mr. Moser and seconded by Mr. Hoffman that the Board allocate not more than $1,500,000 in funding for Grant Round 7 projects.

There was discussion on how the $1.5 million was determined; suggestion was made of $2 million based on the $4 million average that had been distributed in prior rounds--50% of what had been done in the past; focus should be on selecting the best of the best projects; would rather not eliminate one round but have sufficient funding for the next two scheduled rounds; take the $5.4 million and divide by three = $1.8 million and allocate it across three grant rounds and the next time, if the forecast is different then make an adjustment but have a target for each grant round. Mr. Melchior said the next forecast is due out in August and the next grant round is scheduled for November and there should be more of a trend to where the numbers are going.

On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted yes and no one voted nay. The motion carried unanimously.

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

GR7-001 - Wilton City Pond Dredging - City of Wilton - $80,422 - Directive B – Summary: Dredging of the Wilton City Pond. (A handout is available in the Commission files.) Mr. AJ Tuck, Alta Engineers, and the City Engineer for Wilton, reviewed the handouts and provided a history of the site and why the need for the project. Mr. Tuck responded to questions about ongoing maintenance if the project should be funded and if this project would resolve the issue of silting into the pond; size of the pond--approximately two acres--it is the drainage pond for approximately 140 acres. There was discussion about whether the pond would be used for fishing if the project was completed and if what was being proposed would result in a good fishery.

GR7-007 - O-M-G Grassland Improvement Project - Morton County SCD, Grant County SCD, Oliver County SCD - $900,000 - Directive B – Summary: Providing technical and financial assistance for the implementation of best practices for livestock water systems, cross-fencing, grassland plantings and grazing plans on 16,000 grassland acres including rotational grazing including 108,000 feet of fence, 165,660 feet of pipeline, 12 wells or rural water hookups, 71 water tanks, 18 water pumping plants, 10 electrical/power hookups, and 1,000 acres of grass seeding. (A PowerPoint presentation is available in the Commission files.) Mr. Brandon Schafer, Watershed Coordinator for Morton County, made the presentation. He said they have 32 producers interested in implementing these best practices and noted that the cost share would be allocated with 60% being OHF matched by 40% cash by the producers. He said all of the practices will be installed according to NRCS standards and specifications. The area is full of cattle and cattle producers and one in three use rotational or management intensive grazing.

Mr. Schafer responded to questions as follows:
- The funds will cover about 500 acres per producer (500 acres x 32 producers is 16,000 acres). Although they already have 32 producers who are interested in the funding they are not limited to those producers -- the funds will be awarded based on first come first served.
• “Matching funds” will be cash from the producers.
• There is no obligation to provide public access.
• If a producer receives money from this grant they must have a three year prescribed grazing plan which follows NRCS standards and specifications. With every prescribed grazing plan you must monitor your grazing system so you can determine from the beginning to the end if your forage production increased, was your herd size able to increase, etc.
• No OHF funds will be used for prescribed grazing payments for those management years, the funds will only be allocated towards structural practices or grass seeds.
• This is a designated watershed area. There is one watershed project in Grant and Morton Counties. Oliver County does not have one. The watershed areas in Grant and Morton Counties do not need these funds.
• The 32 producers are a prime example of producers who fell through the cracks with all the conservation projects. Some of them did apply for EQIP funding but none of them were successful in obtaining funding from that program.
• He does not understand why producers don’t understand that they can make more money and have better wildlife and environmental conditions by doing this. The only thing he can say is the Soil Conservation Districts are doing their best to try to educate producers about these best management practices.

GR7-010 - North Central Conservation Project - North McHenry SCD, Pierce County SCD, Rolette County SCD, Bottineau County SCD - $1,575,000 - Directive B – Summary: On a 60%-40% cost share basis, conduct conservation planning and implement conservation practices on more than 100,000 acres - livestock watering facilities, cross fencing, boundary fencing (on expired CRP and new grass plantings), hay and grassland plantings, grassed waterways, and cover crops (to be utilized for fall grazing) & administrative costs in the amount of $75,000. Mr. Bruce Knudson spoke regarding the application.

Mr. Knudson responded to questions as follows:
• There are no target number of producers but they have estimated that this would cover about 100,000 acres in the four county area with the money divided up between the four county area and would be on a first come first serve basis. The producers would be responsible for 40 percent of the cost of these projects so it will limit how many acres any one person would put in. They hope a lot of producers would apply but it is a shared project cost for everyone.
• North McHenry County will be the lead.
• The money would be divided between the four counties and if one county doesn’t use all of the money then that money would be eligible to go to another county if they are short on money.
• The money will be used for funding the actual practices.

GR7-009 - McIntosh County Grazinglands Initiative - McIntosh County SCD - $416,000 - Directive B – Summary: Implement practices on a 60/40% cost share such as livestock water systems, grazing land perimeter fencing, cross-fencing, prescribed or cell grazing – implement conservation plans & $16,000 of outreach & administrative costs. (A PowerPoint is available in the Commission files.) Ms. Chelsey Horner gave the presentation.

Ms. Horner answered questions as follows:
• In determining the amount of their request they allocated a $20,000 maximum for each project and spread that out to twenty applications. There are no acreage payments involved. The monies will be used for the costs of the initial establishment of what is installed.
• They would not replace existing fence.
• Purpose would be to improve the profitability for these producers and improve poor rangeland management practices. There would be no public access requirement - it would be at the producers’ discretion.
In response to the question of why should the public support spending millions of dollars to increase individual entities profitability when they are not using good management practices, Ms. Horner stated that the producers get discouraged on the cost of implementing the practices themselves and for a number of producers it doesn’t work out for their operations. They need to take into consideration that implementing these practices for the betterment of their operation will provide a more stable cropping year for consumers as well as livestock – to have healthier crops and livestock available for worldwide consumers.

Members of the Board discussed the public access issue and whether PLOTS could be a requirement for funding. It was pointed out that:
- Participation in the PLOTS program is voluntary;
- PLOTS payments are based on how much habitat component there is in a particular area
- Having a mandatory PLOTS participation may not be a good requirement. Consideration needs to be given to the prescribed grazing system that is being implemented -- public access in some cases cannot be granted during certain times--for example when cattle are being rotated from one area to another; soil conditions may be an issue; lack of adequate rainfall; other environmental factors; concern for gates being left open or hunters shooting in areas that make the cattle nervous--the producer needs to know who is on the land; etc.

It was pointed out that in regards to the three similar Soil Conservation District applications that the reference to a three-year grazing plan doesn’t mean that in three years the project is done. There is a commitment of 20 years on the life of the structures that are in place so the impact of these projects is much longer than three years. When the producer follows the NRCS standards and specifications and the project is correctly managed, then there is a much longer life span on these projects. In addition the producers can continue to get advice and consultation from the soil conservation districts.

**GR7-013 - Small Acreage Private Land Prairie Plots - United Prairie Foundation, Inc. - $78,500 - Directive B –** Summary: To restore 50 acres of prairie grasslands and create a source of highly diverse native prairie grass and forb seeds to be used in future farm grassland plantings while utilizing small difficult to manage farmland. Seed from participants will be made available to additional participants. $45,000 of OHF funding to be used for land rent costs--average rent of $115 an acre. (A PowerPoint is available in the Commission files.)

Mr. DeVries responded to questions regarding the costs of the rent; whether or not county and state road setbacks had been taken into consideration; public access could be stipulated in the agreements; the seeds generated from the harvest of these acres would be available at no cost -- it is part of the charitable mission of the organization to build a better prairie.

**GR7-014 - Grassland Habitat Recovery Project - Sheyenne Valley Grazing Association - $457,125 - Directive B –** Summary: To work cooperatively with the US Forest Service and the Ransom and Richland County Weed Boards to recover grassland habitat through the treatment of leafy spurge on the Sheyenne National Grasslands. Treat a total of 13,650 acres with Quinclorac (Facet L) over 3 years. Mr. Scott Olerud summarized the purpose of the project and outlined why the project is needed--preserve the quality, restore the land, keep the beauty out there and restore the habitat for the endangered species and for the hikers, horseback riders and public use and cattle grazers. He noted that the government owns approximately 75,000 acres of grasslands with the Forest Service managing it.

Mr. Olerud responded to questions as follows:
- Generally they receive $150,000 per year from the Forest Service for weed control - last year they received an additional $150,000.
• They won’t be able to totally control the leafy spurge -- last year they spent in total $325,000. They are unable to access weed board dollars because those dollars can’t be used on federal lands.

There was discussion on a new chemical that is proving to be successful in controlling Leafy Spurge (costs are high - $50.00 per acre) and they are still learning about the best time for application -- spring versus fall.

GR7-020 - Missouri Coteau Habitat Enhancement - Audubon Dakota - Revised amount - $12,476.88 - Directive B – Summary: Installation of fencing, water tanks, solar pump wells, water pipelines – create and improve the system of paddocks and water resource within the Wicks-Bloom-Brown complex. (A PowerPoint is available in the Commission files.) Ms. Sarah Wilson gave the presentation along with Mr. Duane Anderson the project farm manager. She said the project budget has changed dramatically from the grant application request. They are now requesting $12,476.88 from the OHF with Audubon Dakota providing a match of $24,219.82 for a total project of $36,696.70. She reviewed how they were able to reduce the cost of the project and indicated that the funding would be used to construct boundary and cross fencing on an additional 205 acres and help the producer create water well infrastructure.

Mr. Anderson answered a number of questions about the project--what is currently being done on the surrounding lands, water issues that restrict the producer’s ability to utilize some of the land for grazing, costs of the fencings, ownership of the land and the potential for other funding.

GR7-025 - Stutsman County Grazing and Manure Management Systems Project - Stutsman County SCD - $450,900 - Directive B – Summary: To implement multi-celled grazing systems through installation of 140,000 linear feet of fence, 30,000 linear feet of pipeline, 4 wells, and 15 water tanks and the installation of a manure management system. (A PowerPoint is available in the Commission files.) Mr. Ryan Odenbach gave the presentation. He showed slides of the projects that have been completed and invited the Board to a tour they are planning later this year. (He will let Ms. Fine know when it is going to be held so she can let the Board members know about it.) The project goals are to restore the vegetative balance surrounding steam and lake areas in Stutsman County and grazing projects around those streams and waterbodies. The secondary goal is to restore and maintain water quality on rivers, lakes and reservoirs in the county.

Mr. Odenbach responded to questions as follows:
• The costs of implementing these best practices are often too high for the smaller farm operations. It was his hope that the OHF funding could assist these operations that do not have the dollars to implement the practices on their own.
• In regards to public access he thought producers would be willing to work with the Game and Fish Department to develop some kind of PLOTS program as long as there are certain conditions such as not hunting in an area where there are cattle, allowing only walk-in access, etc.
• The proposed manure management system is an ag waste system and is separate from the proposed grazing project.
• The proposed ag waste system is not a part of the 319 program. Because of the demands on the 319 program it was suggested that funding be requested from the OHF for the installation of this system. There are other 319 projects in the watershed.
• The producer would be required to bid out the different components for the ag waste system--that is a requirement of the 319 program and even though this project is not a 319 project it is a practice they follow except for fencing. The numbers reflected in the application for fencing is based on the producer’s conversations with fencing contractors.

GR7-028 - Crystal Springs Bank Stabilization Project - Stutsman County SCD - $216,456.90 - Directive B – Summary: Repair erosional problems on Crystal Springs Lake and Stink Lake - reshaping &
providing rock riprap. Restore and maintain water quality. (A PowerPoint is available in the Commission files.) Mr. Ryan Odenbach indicated that this was a good project but after listening to the discussion on availability of funding he requested that the project be tabled so he could bring it back during the next grant round with a higher level of match funding.

GR7-027 - Northern Cass Pass - Hunter/Arthur JPA Park Board - $133,000 - Directive A – Summary: Development of non-motorized trail between Hunter and Arthur. Funding for trail prep & bituminous paving of approximately 1/2 mile of the 6 mile trail & engineering costs. (A PowerPoint is available in the Commission files.) Mr. Barry Johnson gave the presentation. Ms. Readel from the JPA was also present and commented on various aspects of the project. Mr. Johnson reviewed how the OHF dollars were used under Phase 1. He summarized the history of the project and noted that they are now at the point in the project were they want to install bituminous paving.

Mr. Johnson and Ms. Readel answered questions as follows:
- Why pave the trail - very tough for the runners and bikers because a lot of the ballast is coming up through the crushed granite base - to make it more accessible.
- Numbers on the use of the trail - Between the two communities with a population of roughly 900 people and usage from the local high school the usage would be upwards of 1,000 to 1,200.
- A number of community events have been scheduled - for example National Trails and Parks Day on June 3; local church youth groups are planning family fun runs and events during the summer.
- They reviewed the costs they had incurred in purchasing the rail bed in 2011 - $47,000. The value of the land was much higher but they were able to negotiate the lower price after 18 months of discussions.
- Where will they get the additional monies to complete the paving -- they are seeking funding from any funding entity that supports these types of projects. Currently the North Dakota Parks and Recreation Department through the RTP Program (Recreational Trails Program) has provided the most funds for the project. Mr. Zimmerman confirmed that the RTP Program had been providing funding for the project -- it is a very successful project. They are hopeful that more funding might be available from the RTP dollars but those are federal dollars and they are limited.
- In regards to maintenance on the trail once it is paved, that has not been budgeted but the JPA authority has the ability, through the communities, to assess some funding to cover costs related to the project.

Following a break Chairman Melchior reconvened the Outdoor Heritage Fund Advisory Board meeting.

GR7-005 - Fingal Wildlife Club Dam Restoration - Phase #2 - Fingal Wildlife Club - $44,787.60 - Directive A – Summary: Complete repairs on emergency spillway. Includes reshaping, geotextile fabric, riprap and placing topsoil/reestablishment of vegetation. Will also place aggregate on the access road. Final phase of the restoration to the dam. (A PowerPoint is available in the Commission files.) Mr. Jason Manlove gave the presentation. He indicated that this is the second phase of their project. Previously the Outdoor Heritage Fund provided funding for the principal spillway repair. This request is for the emergency spillway.

Mr. Manlove responded to questions: why this had not been included in the Phase 1 application--had hoped to have enough funding in Phase 1 but ran out of funds; and who owns the dam -- ownership is by two individuals who have provided easements to the Club over the years and just last year entered into a 10-year easement.

GR7-021 - McVille Dam Revitalizations - City of McVille, McVille Park Board, Nelson County Water Resource Board - $800,000 - Directive C – Summary: McVille Dam restoration (stilling basin structure, toe drain, culvert rehabilitation, spillway replacement, and drawdown structure) and campsite sewer
system installation and legal and administrative costs. Engineering costs - some to be paid by OHF; some by applicant. (A PowerPoint and handouts are available in the Commission files.) Ms. Renae Arneson gave the presentation. She summarized what they were hoping to accomplish with this project -- retain the dam structure and upgrade the campground with a sewage system -- and the value of this project to the community and surrounding area. She noted that they would also be seeking funding from the State Water Commission, Game and Fish Department and the Department of Transportation as well as private funding sources.

GR7-004 - Buffalo Lodge Lake Outlet - McHenry County Water Resource District - $281,800 - Directive C – Summary: To replace current outlet structure of lake with a new double 12 foot by 7 foot concrete box culvert with an overflow weir at current weir elevation. (A PowerPoint is available in the Commission files.) Mr. Thomas Johnson gave the presentation. He said they have applied for funds from the State Water Commission but their request has not been approved by the Water Commission. This proposal was for up to $281,000 which would mean the cash contribution from the McHenry County Water Board would be $94,000. In response to questions, he indicated that the amount of the Outdoor Heritage Fund award would be reduced if they are able to get Water Commission funding. It was noted that the total cost of the project as proposed is $375,000 but the request for funding is referring to a project size of $415,000. Mr. Johnson indicated that if the costs for construction were less than what is estimated they would reduce their request for funding to the actual costs of the work.

GR7-011 - Watershed Basin and Nature Wetland Trail at Urban Plains Park - Fargo Park District - $1,107,145 - Directive C – Summary: Transform a 10-acre stormwater detention basin located in Urban Plains Park into a moving water feature with native plantings, restored wildlife habitat and both hard surface and nature trails on public land. An additional lift station on the south end of the stream will support the moving water. (A PowerPoint is available in the Commission files.) Ms. Carolyn Boutain gave the presentation. In response to questions she noted that they are also seeking funding from other sources and they are committed to doing improvements to the Urban Plains Park area over a period of time--several phases depending on funding. Board members indicated their support to have this natural area but noted what is being requested doesn’t speak to any seeding or landscape plantings, etc. It was stated that they would be working with the Cass County Soil Conservation District, Audubon Dakota and Prairie Restoration as they moved forward with the project in its future phases.

GR7-006 - Woodland Trail Phase 2 - Minot Park District Foundation - $228,000 - Directive D – Summary: To complete Phase 2 of the Centennial Park trail project including trail development and purchase and installation of an EZ Trail Dock system. Signage, stream bank erosion control, engineering and administrative and legal costs. (A PowerPoint and handout are available in the Commission files.) Ms. Elly DesLauriers gave the presentation. She said Phase I is done and they returned $128,000 of commitment back to the OHF. They have received preliminary approval for a RTP grant for $150,000 so that would reduce the request from the OHF to $155,000 with a 25 percent match from the Minot Park District so the new request from the OHF is $116,250. Ms. DesLauriers indicated that they had just become aware of the $150,000 award on Tuesday of this week. The $34,000 commitment from the Minot Area Community Foundation is the match for the RTP grant.

GR7-024 - Madison Nature and Conservation Classroom, Preparing Today the Landowners and Managers of Tomorrows - Legacy Children's Foundation - $213,435 - Directive D – Summary: Build a Conservation Classroom and Trail next to Madison Elementary School including: Construction of 4 instructional kiosks, 4 open walled shelters, 4 sculptured seating components, signage, planting of 80 trees of 15 varieties, plants and seeds for a pollinator garden, Xeriscape, Native Grass, and a Farmer's Field. (A video presentation and handouts are available in the Commission files.) Students Grace Modi, Moriku Hakim, Joel Gama, Puja Chhetri and their leader, Mary Dehne, all participated in the presentation. Ms. Dehne distributed information that indicated a reduction of their funding request from $213,435 to $175,850. The handout also included plant drawings and a copy of the MOU with the Fargo
Park and Fargo School Districts. It was pointed out the high level of contributions that had been provided by the local community. The Board commended the group on the outstanding presentation they gave.

In response to the question of why they needed to have concrete pads for the learning centers it was stated that the school will bring classes of students out to each learning area and the students would either sit or stand on the concrete. They had taken out of the budget the four overhead shelters because they didn’t realize until after the application had been submitted that the structures would be considered buildings. The costs for those structures would be done with community support.

GR7-016 - Lighting Project for Adult and Youth Sports - Sports Inc. - $186,000 - Directive D – Summary: To provide lighting for 2 playing fields at the Ulland softball complex. (A handout is available in the Commission files.) Mr. Casey Noreen discussed the handout.

GR7-018 - Turtle Mountain Chippewa Fishing Dock Project - Turtle Mountain Band of Chippewa - $50,000 - Directive D – Summary: To install 3 commercial grade fishing docks at the Belcourt Lake Park Recreational Area. (A handout is available in the Commission files.) Mr. Les Thomas and Mr. Lyle Poitra gave the presentation and responded to questions. It was indicated that they currently have boat access (USDA is providing funding to convert the boat access from gravel to concrete) in the areas were the docks will be installed. Mr. Thomas stated that the three requested docks would not be replacing any docks. At one time they had a large pier but it had to be removed because of its poor condition. There is a need for handicapped accessible piers. Mr. Poitra said that all of the piers on the lake are dilapidated and need to be upgraded. Mr. Thomas indicated that CTI is a tribal entity formerly known as Turtle Mountain Manufacturing that had done a lot of work for the Defense Department. That facility has been retooled to be able to manufacture docks and they also will be constructing homes.

GR7-019 - Mt. Carmel Dam Recreational Area - Cavalier County Water Resource Board - $88,188.66 - Directive A – Summary: Installation of boat docks, fishing pier, trees, boat ramp (removal of old ramp), playground equipment, shade shelter, benches with sand and labor. (A PowerPoint is available in the Commission files.) Ms. Shauna Schneider gave the presentation and responded to questions regarding the plantings that they will be doing--170 lilacs and 35 of other species; the location of the current fishing pier, and accessibility to the playground -- not a hard surface.

GR7-003 - Ryder’s Point Recreation Area - Williams County Water Resource District - $30,500 - Directive A – Summary: Development of the Ryder’s Point Recreation Area including shoreline access to Missouri River. (A 15-year public access agreement has been executed with a private landowner.) Includes development of a vehicle access trail with turnaround areas, a segment of boundary fence, public access signage and boundary markers, and on-site debris removal. Mr. Corey Paryzek discussed the project and stated that the goal of the project is to obtain more access to the river. The next closest public access is 15 miles past Ryder’s Point. Mr. Paryzek responded to questions about the other funding -- Northstar Caviar will provide funding each year for 15 years at approximately $3,000+ per year (these dollars would be used to cover the annual cost of the 15-year lease). Mr. Steinwand said he recently met with Northstar Caviar and discussed this issue and the only way they won’t be funding this in the future is if there is no paddlefish season and they don’t get the caviar from the paddlefish and the Game and Fish Department staff didn’t anticipate that happening. Mr. Paryzek said they have other local support – Missouri United Sportsman has pledged money towards this project. There are people from across the state and nation coming for the paddlefish and other fishermen year around. It is a 27 acre parcel with trees so people can bow hunt as well but it is primarily for fishing.

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

GR7-002 - Butte View Campground Expansion Project - Bowman Parks and Recreation - $50,000 - Directive D – Summary: Upgrade campground - 49 campsites with either 50 or 30 amp electrical service
and 33 sites with improved water/sewer. (A PowerPoint is available in the Commission files.) Ms. Chanell Waltz gave the presentation. The proposal has changed since they started the application process – they wanted to upgrade the electrical and add water/sewer hookups to most of the sites. We started out adding it to all of our sites but the costs kept growing and the last engineer’s estimate was we could do three loops of full water/sewer hookup. That will involve adding an extra septic system because of the topographical layout. In response to a question regarding long term construction people in the area staying in the campgrounds, Ms. Waltz said their policy is if you are going to stay over two weeks, you have to have permission.

GR7-015 - Clausen Springs Park Playground Improvements - Barnes County Park Board - $10,000 - Directive D – Summary: Removal of existing equipment and installation of new ADA compliant playground equipment at Clausen Springs Park. Mr. Bobby Koepland discussed the project. This playground would be located about 70 feet from a new concrete pavilion and new parking lot. He reviewed the other funding sources for the project.

GR7-030 - Sargent County Silver Lake Park Phase 2 Southwest Unit “Play Places and Gathering Places” Renovations Project - Sargent County Park Board and Commissioners - $4,007 - Directive D – Summary: Install ADA accessible playground equipment, bench, border and surface. (A handout is available in the Commission files.) Mr. Dennis Goltz discussed the project. Camping from 2010 to 2015 has doubled, it is the only campsite within thirty-five miles, the closest one is Lisbon – people come from 100 miles away. It is a very popular place with the pavilion built in 2011. The camp fees from 2010 to 2015 doubled without raising the rates. Sargent County owns the park.

GR7-031 - City of Minto Outdoor Skating Rink and Warming House - City of Minto - $28,900 - Directive D – Summary: Renovate outdoor ice rink by levelling the land, installing water pipes, liner, and lay boarding ring for hockey boards. Also includes construction of a warming house and bathroom. (A PowerPoint is available in the Commission files.) Ms. Heather Narloch gave the presentation and noted the match funding that is coming from the City of Minto (in-kind of $12,000 which is mainly labor costs). Their request is $28,900 for the basic materials for the outdoor warming house, liner and the framework underneath the boards. Ms. Narloch, Ms. Schuster and Ms. Osowski responded to questions from the Board regarding the life of the liner (the City of Grafton Recreation Department recommended the company that would be providing the liner--said it is the best one); the need for this recreational activity—the ice rink is not real expensive and everyone can use it—even those children that are not athletic enough to be on the hockey team and it is something that any age can do; the request is coming from the City of Minto; they believed this met Directive D because there is a reference to outdoor recreation areas in that Directive and it will be located in an area where there will be no housing developments--a more natural area.

GR7-012 - Stark County Fair Grounds - Stark County Fair Association - Revised amount $166,465 - Directive D – Summary: Establishment of a shelter belt between the arena and a housing community. Project will include 100 trees, fencing, seeding of grass, and reroute some wetlands/water management. (A PowerPoint is available in the Commission files.) Mr. Frank Klein gave the presentation and noted that this is a combined effort of the Stark County Park Board and the Stark County Fair Board. Phases I and II are approximately $6.5 million and they may be coming back to the Outdoor Heritage Fund for funding of Phases III and IV. Mr. Klein answered questions regarding the following points:

- How does this project fit Directive D – We are starting out in a pasture and enhancing it with trees.
- This is not in the city limits of Dickinson but because it is in the Extra Territorial Area it must be approved by the City’s Zoning Board and meet their requirements.
- The project shows a four row shelter belt on the south side and nowhere else. This needed to be installed as a buffer to a small subdivision that is in the area. They do not need a buffer on the north side of the project. The size of the trees (two-inch diameter) to be located on the project was determined by the City of Dickinson and are quite costly.
• Costs of fence and seeding – A four-wire fence is needed around the property to protect adjacent landowners and the chain link fence is needed for spectator control.

GR7-029 - Hi-Line Prairie Gardens and Orchard - Valley City State University - $268,475.34 - Directive D – Summary: Support the Hi-Line Gardens and Orchard - converting approximately 4 acres into an easily accessible outdoor recreation and educational area. Planting of trees, shrubs and native flowering plants, installation of gazebo, irrigation system, retaining wall, walkway and gravel parking lot and engineering costs. Mr. Casey Williams discussed the project explaining where it will be located and reviewing the potential other funding sources. There were questions regarding the number of students that would be involved in the VCSU program -- 70 to 80 students; the match funding of land -- the City of Valley City would retain ownership of the land and liability but an MOU would allow use of the property for this project. If only a portion of the project was funded the trees would be the most important.

GR7-026 - Precision Ag Business Planning Pilot - Soil, Access and Habitat - Pheasants Forever Inc. - $312,873 - Directive B – Summary: To deliver 500 acres in a 4-county pilot area of a Soil Habitat cover option with a focus on reducing saline/sodic areas/provide restored wildlife habitat. Will utilize precision agriculture business planning. (A PowerPoint is available in the Commission files.) Ms. Rachel Busch gave the presentation and Mr. Brayden Wagner was a producer that had used the software and showed how it worked. Ms. Busch explained how the rent payments would work and how they were determined. She explained that the match funding would partially come from the local Pheasants Forever Chapters. She noted how this would be beneficial to both the producer and to enhancing habitat projects.

GR7-017 - Precision Restoration for Greater Soil, Water and Habitat Quality Benefits: A Demonstration Project in Central North Dakota - Ecological Insights Corporation - $71,626 - Directive B – Summary: Funds will be used to demonstrate how water, soil and habitat quality can be enhanced using new tools and approaches derived from precision agriculture. (A PowerPoint and handouts are available in the Commission files.) Ms. Mikki Eken gave the presentation.

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

Chairman Melchior thanked all the applicants for coming and making their presentations.

Chairman Melchior said the Board has a dilemma with limited funds and we need to look closely at the quality of the applications. We need to look at why the Outdoor Heritage Fund was created and give priority to those projects that enhance conservation practices in the state. No funding was intended for projects that are already completed or have commenced before the application came in. That could be stretched to include upgrading of existing facilities. Research and feasibility studies are another category the Industrial Commission has directed no funding and another big one is maintenance costs. It is a broad term when it comes to maintenance – we need to really look at the projects – there are several of them in his opinion that are maintaining existing facilities that are just wore out or need replacing. He didn’t know if the Fund was intended for that. We are prohibited on paving roads and parking lots specifically. Those are the things we need to look at when we score and recommend funding for these projects.

Mr. Moser said one other thing the Industrial Commission has stated but not in policy - they do not look favorably on projects that involve annual rental payments. On a couple of occasions, the Industrial Commission members have made that comment.

There was general discussion by the OHF Advisory Board on the Grant Round 7 application as follows:

GR7-001 - Wilton City Pond Dredging - City of Wilton
Mr. Hutchens said his interest depends on whether the pond can be used as a fishery. The response was maybe. Mr. Steinwand stated yes that is correct. With the small size of the pond and even at ten feet for
a North Dakota winter that would not result in a good fishery—it would have to be a “put and take” type of fishery. Chairman Melchior said he couldn’t find a conservation component in this application.

GR7-007 - O-M-G Grassland Improvement Project - Morton County SCD, Grant County SCD, Oliver County SCD

Mr. Moser said of the three similar SCD projects he liked this one the best. They’ve done their homework and have actual shovel ready projects. They’ve got a line up and have more interest than money. We’re addressing 16,000 acres. He has a frustration as to why the producers haven’t done this before? For example, on the Stutsman County one—once you get one of these projects going it will start to snowball and you will see more benefit. Access—even though it is not required in most cases it is allowed. He likes the avenue the Board took before—let’s make the producers aware that we would like them to provide name and phone number in case someone is interested in hunting. That is a step in the right direction, most won’t deny access; they just want to know who is out there. Ms. Kelsch concurred.

Mr. Elkin agreed, this looked the best but asked at what dollar figure? Mr. Melchior said in Grant Round 1 the Board prorated funding and it just inhibited projects. As far as impact on the ground, we’re better off as a group to fund fewer and fund them well than fund many and have them underfunded.

Mr. Moser said one thing about these projects is someone is going to be helping and monitoring the project for the next 20 years. We are not putting a project on the ground and walking away. You are going to have the soil conservation district that’s going to go out there and assist—even beyond that three year required management grazing plan. You put in fence and water and it is really hard for them to pull a chisel plow in there and tear it all up again. The producer will have some money at stake there, they have invested something and he thought it was a win/win for both wildlife and agriculture.

Mr. Reierson said we have a number of similar ones that could run into millions of dollars. Stutsman County has demonstrated the benefits of this. It is time for the producers to step up and do it. Without some kind of public access being required or negotiated or some kind of proposal from Game and Fish being integrated into these proposals he thought it was too much public money being used to benefit somebody to implement a best practice that enhances their profits.

In response to a question Ms. Kelsch said these Soil Conservation Districts have done a good job in their application. If they were to get funded with the amount of interest that they have they will have to set up a ranking system. In Emmons County we put a priority on those producers that hadn’t had this type of contract before with these types of practices so that you get the education component.

Mr. Kuylen said in the past we did these in conjunction with 319 projects which gave us more bang for our buck. He proposed funding each one of these to have 1 or 2 projects as a learning tool and have tours so that everyone in that county can see the benefits instead of concentrating the dollars in one area of the state. If you saw the project working in your area then you could work it into your ranch—that would give more justification for our dollars being invested in it.

Ms. Godfread suggested funding a portion of the Morton County project and fund some demonstration projects and not fund as many as they want. Mr. Melchior said he didn’t know if he would call it a demonstration—these practices for the most part are proven—it’s a piggy back of access and educating other producers. Mr. Kuylen said cattle are going to be by water—until you move the water, you can graze all you want but they’ll be by the water.

Mr. Melchior said the producer needs to provide their name and phone number which could be a requirement on the funding. He didn’t think Morton County would have a problem if we put a requirement that upon completion of these project that they host a producer tour. The Stockman’s Association has done that on occasion.
GR7-010 - North Central Conservation Project - North McHenry SCD, Pierce County SCD, Rolette County SCD, Bottinou County SCD

GR7-009 - McIntosh County Grazinglands Initiative - McIntosh County SCD

GR7-013 - Small Acreage Private Land Prairie Plots - United Prairie Foundation, Inc.

Mr. Moser said this is an annual rent that the Industrial Commission is trying to get away from. Mr. Steinwand said he believes what the Commission is talking about are large tracts of land like CRP, not this type of project. Mr. Reierson said that’s why the task force was put together. The task force hasn’t had a chance to visit with the Governor’s Office and put a policy together.

Mr. Melchior said his concern with the payments is some of these are small tracts that cost the producer money to farm and we end up paying average rent as if it was the most productive land when in some instances they would be money ahead to pay someone to seed it and get it out of their field. The producer’s return goes up quite a bit if you take out the bad pieces of land. That is where he has problems paying people to take marginal land and put it into what it should have been in the first place.

Mr. Hutchens agreed but if it was that obvious they would be doing it in the first place - something needs to happen to get the point across. He sees us needing the rental option tool for some of our projects especially wetland projects. Mr. Melchior said we need to go through the process with Governor Dalrymple and Industrial Commission about the whole philosophy of rental payments and how they should be done and when they should or should not be applicable.

Ms. Godfread said it is hard to get native seeds. They don’t need to get paid rent to get those – then it would be given out free and it is wildly expensive when you want to buy and then it isn’t really well adapted. She likes this application minus the rental which she is not comfortable with. She would encourage funding this one because we would be getting the seed source – we could fund part of it and say we don’t want to do rentals.

Mr. Moser said Mr. DeVries got funded in grant round 2; this seems like the same concept. Why wouldn’t he take the dollars he hasn’t spent in that grant to do it here? Ms. Fine said that project used PLOTS acres. These acres don’t fit within PLOTS. Mr. Hutchens said he thought the funds he was asking for was just to get access to the land to get seeds started and once he got the seed he was walking away from that. Ms. Fine said the application was to get more acres so he could plant seeds and harvest them and continue the process over and over – he needs more acres.

GR7-014 - Grassland Habitat Recovery Project - Sheyenne Valley Grazing Association

Mr. Kuylen said the Board turned down the request from the Little Missouri Grazing Association. We need to treat this group the same. It is federal land. However it needs to be done. Mr. Steinwand said every grazing association receives some funds from the Forest Service, it’s just not enough. He indicated that this is a project he would want to see funded because it involves 3 endangered species, but it’s not fair to do this one and not the other ones. It was indicated that the funding needs to be done by the Forest Service--here are three endangered species on your land - what are they doing to protect them.

GR7-020 - Missouri Coteau Habitat Enhancement - Audubon Dakota - Revised amount - $12,476.88

Mr. Moser said initially he liked this application but is bothered by the fact that the Stafford family owns 5,000 acres and they aren’t willing (or haven’t been approached) to put up anything. They’ll benefit from it. The fencing costs seemed high. A mile of fence – actual supplies would cost you $2,000 to $2,100 and double that for labor for $4,000 to $4,500 per mile, and they have $12,000 or $13,000 per mile. If they were more in line with their prices it would be a stronger application. Mr. Kuylen said he also feels the landowner should pay some of it. They’re taking in rent on new acres, why wouldn’t they put up fence? He didn’t think the state should pay for it. Ms. Godfread said the landowner doesn’t do anything - they’re
putting up fence, but it didn’t seem like they had a grazing plan. Mr. Reierson said if they came back with a buy in and a grazing plan then it has merit. His suggestion was revise and resubmit.

GR7-025 - Stutsman County Grazing and Manure Management Systems Project - Stutsman County SCD
It was noted that $126,000 of this application is for an animal waste system for one operator. Mr. Moser said Mr. Odenbach is a coordinator that gets a lot done - he follows up on his projects. However, he is not supportive of the funding for the animal waste system. The grazing portion of the application is a good project.

GR7-028 - Crystal Springs Bank Stabilization Project - Stutsman County SCD
It was moved by Mr. Reierson and seconded by Mr. Hoffman that the application GR7-028 - Crystal Springs Bank Stabilization Project by Stutsman County SCD be withdrawn and reconsidered in a future round. On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted yes and no one voted nay. The motion carried.

GR7-027 - Northern Cass Pass - Hunter/Arthur JPA Park Board

GR7-005 - Fingal Wildlife Club Dam Restoration - Phase #2 - Fingal Wildlife Club
Mr. Hutchens asked if this area was just for Club use since it is privately owned. Mr. Steinwand said that it was open to the public. The Game and Fish Department will not stock any waters without a public access agreement.

GR7-021 - McVille Dam Revitalizations - City of McVille, McVille Park Board, Nelson County Water Resource Board

GR7-004 - Buffalo Lodge Lake Outlet - McHenry County Water Resource District

GR7-011 - Watershed Basin and Nature Wetland Trail at Urban Plains Park - Fargo Park District

GR7-006 - Woodland Trail Phase 2 - Minot Park District Foundation
Mr. Kuylen said he liked that they returned $128,000 from Phase I. That pretty much covers their request now. It sounds like it’s well used and they’re doing it right. Mr. Bina said this is a project that is the wisest use of the land, there is public access and a number of people that will benefit. Mr. Melchior said if approved, we need to look at the engineering and costs - before they were in excess of 5%.

In response to a question, Ms. Fine stated that the money returned in Phase I is reflected on the financials under returned commitments.

GR7-024 - Madison Nature and Conservation Classroom, Preparing Today the Landowners and Managers of Tomorrows - Legacy Children’s Foundation
Mr. Reierson said it was a great project, but questioned whether it’s an Outdoor Heritage Fund project. Concern was expressed about the amount of concrete that was being funded. There was a suggestion that 4H and other similar groups might be able to help with the projects that were outlined in the application.

Mr. Kotchman said they have significant contributions of environmental and conservation efforts that are coming in as match – significant amounts of donations from the Fargo City and Fargo Parks as well as contributions from NDSU and many other entities – it has an outstanding component of match from those entities.
Mr. Zimmerman said it does have a conservation aspect. As a statewide committee, we’re looking at the biggest city in the state - Fargo. This is a part of North Dakota that needs to be looked at and addressed – it’s not all to the rural part of the state. This sends a message to groups in our state that this project is well thought out and the kids put a lot into it. We are looking at a conservation aspect and an outdoor education aspect to a part of our population that won’t get it anywhere else.

Ms. Godfread said she wants to see this project go through for the kids. But they don’t need that much concrete – they don’t need a 12 by 12 concrete pad to stand on to look at the plants surrounding them. The whole first year was hardscape before they got into anything else. She stated she would be seriously disappointed if we didn’t give this project some money. It is also an entirely different population group, when you are having largely immigrant, low income people/children – she really wants to see the project go but they don’t need concrete pads to stand on.

GR7-016 - Lighting Project for Adult and Youth Sports - Sports Inc.

GR7-018 - Turtle Mountain Chippewa Fishing Dock Project - Turtle Mountain Band of Chippewa
Mr. Bina said he was confused and questioned if this was a replacement of a dock(s) or if it was maintenance issue. Mr. Steinwand said he was also confused about what they presented. He clarified that the Game and Fish Department does not stock this lake -- it is stocked by the Fish and Wildlife Service. He could not clarify if these were replacements docks. A couple members said they understood the request to be replacing old docks – their boat ramp and docks had gotten to the point where they needed to be replaced. Ms. Fine put up a picture of the piers that they are building on the reservation.

GR7-019 - Mt. Carmel Dam Recreational Area - Cavalier County Water Resource
Mr. Melchior said this is fishing docks, trees, playground equipment and the boat docks are replacements. In response to a question, Mr. Zimmerman stated the Department of Parks and Recreation had provided funds--not State general fund dollars; federal funds that are allocated by the Department. Mr. Kotchman said he asked about the number of trees and cost. There appeared to be some major changes in the number of trees they now proposed. I would suggest that tree planting costs be reduced from $9,000 down to $4,000. Mr. Bina asked that the group consider $10,000 or 25 percent of the costs for playground as outlined in our policy.

Mr. Steinwand said the Game and Fish Department funded a pier in 2011 and cost shared on a dock in 2013. This is not a real large lake and he thought one fishing pier should be sufficient. He did indicate that the location of the current fishing pier is not ideal--it is something you want very accessible and they are portable.

GR7-003 - Ryder’s Point Recreation Area - Williams County Water Resource District
Mr. Reierson said being from that area it does have a lot of use and they have a lot of partners. He recommended it be funded.

GR7-002 - Butte View Campground Expansion Project - Bowman Parks and Recreation
Mr. Zimmerman said this application has a $50,000 grant from ND Parks and Recreation Department, and it is General Funds from the Community Grant Program. Mr. Moser questioned if they still needed to raise $55,000 and where were they going to get the money. It was indicated that they would be scaling back the project. Mr. Melchior said this was improving the campsite with electrical outlets and sewer.

GR7-015 - Clausen Springs Park Playground Improvements - Barnes County Park Board
Mr. Moser questioned if this request was for improvements or replacement. Other members indicated that it was for a replacement.

GR7-030 - Sargent County Silver Lake Park Phase 2 Southwest Unit “Play Places and Gathering Places” Renovations Project - Sargent County Park Board and Commissioners
GR7-031 - City of Minto Outdoor Skating Rink and Warming House - City of Minto
Mr. Melchior said the applicants were very passionate about the project and commended them for their efforts to get this project done. However he didn’t think this Fund was the right source for funding. There was discussion regarding how much was for the warming house -- $7,000 for the materials with the City of Minto contributing the rest by building it themselves and $11,500 was for the rink. The question was raised as to whether we could pay for materials for a building unless it is part of a planned recreational area with a comprehensive plan. It was suggested that it may be a stretch, but perhaps the rink falls in the playground category - we could limit it to $10,000.

GR7-012 - Stark County Fair Grounds - Stark County Fair Association
Mr. Elkin stated he has a conflict of interest because he is involved with the Stark County Park Board as well as the Stark County Commission. This is a good project. Mr. Kuylen said he supports this project, but the fencing was really expensive and so was the grass seeding. They could come down a lot on their bids. What they are going to do needs to be done but the costs of the fencing and grass seeding are high.

Mr. Elkin said he agrees – the fencing should have been $2.25 a mile. He believes they should ask for new bids on the fencing and on the grass seeding. Ms. Godfread said the gentleman reported said he’d been advised to use a CRP mix, and it seems inordinately over priced for that and $41,000 to seed 31 acres seems excessive. There was discussion regarding what all was contained in this ongoing project and whether this had a conservation aspect to it even with the planting of trees. It is a great project but not an OHF conservation type of project.

GR7-029 - Hi-Line Prairie Gardens and Orchard - Valley City State University
The Board discussed the land value being used as match and how that land value had been determined. The land was not being donated to the project--access was being allowed. If the land value is not allowed as match then the applicant does not meet the minimum requirement for match. It appeared that if just the tree component was funded they would have sufficient other match. Several Board members indicated that this was a good project but it didn’t fit with the directives of the Outdoor Heritage Fund.

GR7-026 - Precision Ag Business Planning Pilot - Soil, Access and Habitat - Pheasants Forever Inc.
Mr. Reierson said after seeing the presentation - the power of what the tools could do with a sharp producer and a sharp promoter he was impressed with the ability to roll that over into using that technology on some of these other grants that the Board has seen. It has a lot of potential. It’s pricey, but a lot of potential for the conservation kind of things the Board is looking at.

Ms. Stockdill said admittedly she has a bias - she sees this as an opportunity for local Pheasants Forever chapters to be more hands on with their habitat dollars and you have that tie with the grassroots and producers. This gets the chapters having an even greater sense of involvement and that in turn can get people at the grassroots level to recognize that yes, the OHF really does work for you. Maybe when it comes to access – as we work with entities like this where you are working directly with the producer – maybe if there is a cover letter that can go along encouraging them to look at things like the PLOTS Program or if they would consider something like through the North Dakota Landowners Sportsmen’s Council posting those signs letting them know the signs are available – a cover letter to producers might help encourage access.

There was discussion about the landowner payments, and how the match funding was being determined.

GR7-017 - Precision Restoration for Greater Soil, Water and Habitat Quality Benefits: A Demonstration Project in Central North Dakota - Ecological Insights Corporation
Mr. Melchior said in the past they have not funded demonstration projects and this is pretty clearly one.

Ms. Fine noted that there were two conflicts of interest -- Ms. Stockdill had indicated a conflict on GR07-26 and Mr. Elkin had indicated a conflict on GR07-012.
Mr. Melchior asked everyone to complete their scoring sheets.

Following completion of the scoring sheets, Mr. Melchior asked for discussion concerning policy issues (Attachment D - a copy is available in the Commission files). There were two areas for discussion:

1. Payments to be based on actuals versus other guidelines (i.e. NRCS guidelines)
2. Cost share percentages.

The Industrial Commission had asked for the Board’s recommendations--it was the Commission’s hope that there could be a clearer message of what is expected of the applicants specifically in regards to the cost share percentages. Is it a 60/40 cost share for improvements on land or 75/25? Is it something different for other types of projects?

The Board heard from Ms. Kelsch regarding the cost percentages used by the Soil Conservation Districts. If they are participating in a 319 project there is no flexibility - the state guideline states it will be 60/40. They do have flexibility if it isn’t a 319 project to go 75/25 or 80/20 based on the type of project. It often depends on whether the producer is putting in cash or in-kind. There is nothing that is mandated other than for the Health Department 319 projects that the state guideline requires it be 60/40. However, because of limited funding the Districts often leverage their dollars as much as possible.

There was discussion as to whether this should be discussed by the Model Project Subcommittee. It would seem logical to go 60/40 because it would leverage the OHF dollars further. However, there may be some really important projects that would not be feasible if there is a requirement for a 60/40 cost share.

Mr. Moser said the confusion comes in because state law says there has to be a 75/25 percent match for OHF projects but in the projects where we are looking at conservation practices that are basically well defined and well established in the state, it has been 60/40 for NRCS and 319 projects. It was his position that the Board should be consistent so there aren’t groups competing against each other--farmers and ranchers will figure out where the best deal is and go there and draw down those dollars first. He thinks 60/40 should be the percentage for those conservation practices, 75/25 is for other projects. We are talking about two different scenarios. He suggested that this is something the subcommittee should further discuss even with the 60/40 as there are a lot of variations that should be considered. An example would be labor costs. Mr. Melchior agreed with Mr. Moser.

Mr. Melchior asked Ms. Kelsch to comment on how the level of payments should be determined. Ms. Kelsch indicated it was her recommendation that payments be based on actual costs not to exceed NRCS Guidelines. She reviewed the process that NRCS uses in determining what the Guidelines should be each year. (NRCS economists do an average of receipts annually to see what the average costs are for the practices, what it costs to install the practice, what the costs are for materials, etc.) She described how the Emmons County is implementing their program with a 60/40 cost share for the practice based on actual costs of materials not to exceed NRCS guidelines. In that county they do not include labor costs.

It was moved by Mr. Hutchens and seconded by Mr. Reierson that the Board recommend to the Commission that the application be amended to indicate that the cost share be 60/40 percent of the actual costs of materials not to exceed the NRCS Guidelines.

There was further discussion as to whether the motion should define the type of project that this would apply to. There were also questions about how the issue of labor should be considered -- if the producer does the work or if it is hired out. Ms. Kelsch said some of those practices like doing a pipeline, will have labor factored into the cost docket because a producer would not have that type of equipment. Those things are factored into that cost docket per footage of how the rate is prorated out.
Mr. Hutchens suggested that the applicant provide the detail for each component of the project and use 60% of each component rather than the total project. It was indicated that NRCS looks at each practice and depending on how you submit your costs you could get 100% of your costs for a well but only 60% for the fencing costs.

On a roll call vote Bina, Elkin, C. Godfread, Hutchens, Kuylen and Reierson voted yes and J. Godfread, Hoffman, Melchior, Moser and Stockdill voted nay. The motion carried.

Mr. Melchior said the cost share item will be discussed by the subcommittee and the Governor’s Office along with the issue of rental payments.

The summary of the scoring was distributed and Mr. Melchior asked each member to check their numbers to make sure they were correct. Ms. Fine listed the 22 projects that had received six or more zeros for funding. Mr. Melchior asked if any Board member wanted any of these 22 projects voted on separately -- there were no requests for a separate vote.

It was moved by Mr. Moser and seconded by Mr. Elkin that the following applications not be recommended to the Industrial Commission for Grant Round 7 funding:

1. GR7-001 - Wilton City Pond Dredging - City of Wilton - $80,422
2. GR7-010 - North Central Conservation Project - North McHenry SCD, Pierce County SCD, Rolette County SCD, Bottineau County SCD - $1,575,000
3. GR7-009 - McIntosh County Grazinglands Initiative - McIntosh County SCD - $416,000
4. GR7-013 - Small Acreage Private Land Prairie Plots - United Prairie Foundation, Inc. - $78,500
5. GR7-014 - Grassland Habitat Recovery Project - Sheyenne Valley Grazing Association - $457,125
6. GR7-020 - Missouri Coteau Habitat Enhancement - Audubon Dakota - Revised amount - $12,476.88
7. GR7-025 - Stutsman County Grazing and Manure Management Systems Project - Stutsman County SCD - $450,900
8. GR7-027 - Northern Cass Pass - Hunter/Arthur JPA Park Board - $133,000
9. GR7-005 - Fingal Wildlife Club Dam Restoration - Phase #2 - Fingal Wildlife Club - $44,787.60
10. GR7-021 - McVille Dam Revitalizations - City of McVille, McVille Park Board, Nelson County Water Resource Board - $800,000
11. GR7-004 - Buffalo Lodge Lake Outlet - McHenry County Water Resource District - $281,800
12. GR7-011 - Watershed Basin and Nature Wetland Trail at Urban Plains Park - Fargo Park District - $1,107,145
13. GR7-016 - Lighting Project for Adult and Youth Sports - Sports Inc. - $186,000
14. GR7-018 - Turtle Mountain Chippewa Fishing Dock Project - Turtle Mountain Band of Chippewa - $50,000
15. GR7-002 - Butte View Campground Expansion Project - Bowman Parks and Recreation - $50,000
16. GR7-015 - Clausen Springs Park Playground Improvements - Barnes County Park Board - $10,000
17. GR7-030 - Sargent County Silver Lake Park Phase 2 Southwest Unit “Play Places and Gathering Places” Renovations Project - Sargent County Park Board and Commissioners - $4,007
18. GR7-031 - City of Minto Outdoor Skating Rink and Warming House - City of Minto - $28,900
19. GR7-012 - Stark County Fair Grounds - Stark County Fair Association - Revised amount $166,465
20. GR7-029 - Hi-Line Prairie Gardens and Orchard - Valley City State University - $268,475.34
21. GR7-026 - Precision Ag Business Planning Pilot - Soil, Access and Habitat - Pheasants Forever Inc. - $312,873
22. GR7-017 - Precision Restoration for Greater Soil, Water and Habitat Quality Benefits: A Demonstration Project in Central North Dakota - Ecological Insights Corporation - $71,626

On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted yes and no one voted nay. The motion carried unanimously.

Mr. Melchior stated there are five projects that have been recommended for funding which are 007, 006, 024, 019 and 003.

It was moved by Mr. Elkin and seconded by Mr. Hutchens that the O-M-G Grassland Improvement Project application submitted by the Morton County SCD, Grant County SCD, Oliver County SCD be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $900,000 (Application GR7-007) with the requirement that the producers disclose contact information in case sportsmen wanted to contact them for access for hunting and for the counties to schedule educational tours once the projects are completed to educate other producers in the area. On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted yes and no one voted nay. The motion carried unanimously.

It was moved by Mr. Bina and seconded by Ms. C. Godfread that the Woodland Trail Phase 2 application submitted by the Minot Park District Foundation be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $116,250 (Application GR7-006). On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted yes and no one voted nay. The motion carried unanimously.

In regards to the Madison Nature and Conservation application Ms. Fine indicated that the request for funding had been reduced to $175,850. There was discussion of taking out the costs for the concrete although they would need some dollars for a sidewalk. In response to a question regarding if a sidewalk was part of paving, Ms. Fine stated the Board is prohibited from funding paving for parking lots, you can have a sidewalk – you can have access.

Mr. Moser said he remembers a project about a wilderness walk and it was sidewalks and that did not receive any funding. He knows they have a lot of local support and a lot of buy in and he thinks they can get it done with that and without OHF dollars. He didn’t believe it fit under the directives of the program. Mr. Melchior and Mr. Reierson agreed with Mr. Moser.

There was discussion about balancing funding between the traditional conservation activities and the more urban recreational activities. This Fund is for both types of projects--it was suggested that the Board needs to have a little bit of everything and give this project something.

Mr. Reierson said a concern he had was this is a school supported project and this project would only be implemented in May and September when school will be in session and he wondered what would happen to this project in the summer--who would care for it; what’s going to happen with it during the winter months. It seems like a lot of money for a two month project for a school. Mr. Zimmerman said that during the four years he served on the Bismarck Park District, Bismarck Public Schools and everybody cooperated and that is the trend where the grounds are used twelve months out of the year. It may be school district property but parks are there and parks and school districts are cooperating on land use and the project will certainly be available year around.
It was moved by Mr. Kuylen and seconded by Ms. C. Godfread that the Madison Nature and Conservation Classroom, Preparing Today the Landowners and Managers of Tomorrows application submitted by the Legacy Children’s Foundation be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $60,000 (Application GR7-024) with the requirement that no funding be used for the concrete pads but could be used for the sidewalk. On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hutchens, Kuylen, and Stockdill voted yes and Hoffman, Melchior, Moser and Reierson voted nay. The motion carried.

In regards to the Mt. Carmel Dam Recreational Area application the Board discussed what level of funding should be provided. The suggestion was made that $10,000 be allowed for the playground. There was support to fund the purchase and planting of trees anywhere from $4,000 to $10,000.

It was moved by Mr. Bina and seconded by Ms. Godfread that the Mt. Carmel Dam Recreational Area application submitted by the Cavalier County Water Resource Board be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $20,000 (Application GR7-019) with the requirement that the funds are committed to the playground development and tree planting. On a roll call vote Bina, C. Godfread, J. Godfread, Hoffman, Hutchens and Reierson voted yes and Elkin, Kuylen, Melchior, Moser and Stockdill voted nay. The motion carried.

It was moved by Mr. Reierson and seconded by Mr. Hoffman that the Ryder’s Point Recreation Area application submitted by the Williams County Water Resource District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $30,500 (Application GR7--003). On a roll call vote Bina, Elkin, C. Godfread, J. Godfread, Hoffman, Hutchens, Kuylen, Melchior, Moser, Reierson and Stockdill voted yes and no one voted nay. The motion carried unanimously.

Mr. Melchior called on Ms. Fine to discuss webcasting. Ms. Fine said a constituent had requested that the Board webcast it’s meetings. She indicated that the Department of Mineral Resources West Conference Room does have audio capability. We could create a link for an audio connection. The DMR has looked at costs for video which would be $12,000. In addition to those costs would be a labor component of having someone available to run the camera. If the Board wants to go with audio streaming, with Mr. Brock Wahl’s help, we would be able to do that. There would be no additional costs for the audio unless Mr. Wahl was unavailable and we would need another staff person.

Mr. Melchior said the Public Service Commission is the only state board that he is aware of that has video broadcasting. Ms. Fine said they do have video of the Legislative Session but not of the committee meetings.

It was moved by Mr. Reierson and seconded by Mr. Moser that audio streaming be made available for the Board’s meetings based on staff availability. The motion carried unanimously.

Mr. Melchior asked for discussion on the procedure for presenting the Board’s recommendations to the Industrial Commission.

Mr. Reierson said what we ran into with the Natural Resources Trust application was Mr. Moser was put in an uncomfortable position of having to present on behalf of the Board on a recommendation that he personally had concerns about. It is a tough position to put a chairman in and as he thought about it is seems we should ask our chairman to present the recommendations of this Board except where the chairman voted against that recommendation – then we would have another person that voted in favor of the recommendation make the presentation.
It was moved by Mr. Reierson and seconded by Mr. Hutchens that the chairman would present the recommendations of this Board except where the chairman voted against that recommendation – then a person that voted in favor of the recommendation would present it.

Mr. Melchior said he personally didn’t think it’s a problem. That is the Chairman’s responsibility. He didn’t think there is a need to go back and forth and pick people to present certain applications. My personal opinion wouldn’t be given unless directly asked. My vote is visible on the sheet. There can certainly be more than one presenter, but the Commission expects the Chairman to represent the Board. Mr. Bina concurred with Mr. Melchior’s comments and stated that it was the Chairman’s responsibility to bring forward the majority decision of the Board. Having others appear could lead to inconsistency. He opposed the motion.

Mr. Moser said early on, he had informed the Commission to contact him with any questions. He had been told that there was a concern about this proposal and the Commission wanted additional information. After the Commission meeting a Commission member told him that he appreciated knowing what the other position’s side was. In this case he did give his personal opinion. In representing the Board, the Commission knew what the vote and recommendations were but at the same time they wanted to know the concerns of the minority vote. If you go in and represent everyone that was in favor of it - without being allowed to say anything to represent the five who voted no then he would not have represented everybody on the Board. That is how he felt at the time. They want to hear both sides and make an educated decision.

Mr. Reierson said when the Chairman has those feelings and they come across, who presents the majority’s side with a more objective view? That is the concern he has if the Chairman is put in that position. We stand together. There are often times when he hasn’t agreed with the ultimate decision of this Board but it is the decision made after contemplation and he understands that. When he goes someplace he expects to support the Board and he especially expects it out of the Chairman. He understands that the Chairman was put on the spot with some of these questions but that is the concern he has. If you are put on the spot with why did you vote against this, Mr. Melchior, and no one is there to present all the positives for the application it influences the Industrial Commission. This was the only application in six rounds that ever came back for further questions or with issues to be addressed. The comments made by the Chairman influences the Industrial Commission and that’s his concern and why he made the motion.

Mr. Melchior said if one of the Industrial Commission members asks why he voted for or against a project, he will tell them. He believes that the Commission expects that from their Board Chairman.

Mr. J. Godfread said the Board elects the chairman to represent the Board. We expect the chair to represent the Board in a fair manner. He didn’t think this change is necessary.

Mr. Reierson said in asking for this to be put on the agenda he was looking for an opportunity to have this discussion in the open and that has taken place, so he requested that his motion be withdrawn if the second would consent. Mr. Hutchens agreed to withdraw his second. The motion was withdrawn.

Mr. Melchior asked for the Model Subcommittee update. Ms. Fine said the Governor is ready to meet with the subcommittee. It will happen sometime in May and she will visit with the Governor about a subcommittee appointment.

Ms. Fine distributed a summary on the projects. (A copy of the summary is available in the Commission files.) To date $6.3 million has been spent and 30 projects are complete. There are legitimate reasons for projects being delayed - very few projects come through without asking for an extension. Updates are posted on the website so at any time the Board members can find out what the current status is of a project.
Mr. Melchior asked for discussion on the application process.

There was discussion on whether applicants should be allowed to change their applications after the application deadline. There were concerns expressed that even as late as today’s meeting applications were being changed. Currently there is a 3-day window for Ms. Fine to go through the applications and work with the applicants if there are errors in the applications. It was suggested that if an application is not complete the applicant should be told to withdraw their application and resubmit the next grant round. It was indicated that if applications are being changed then it is difficult for the Board members to do their review prior to the meeting.

There was discussion of whether applicants should be allowed to revise their applications if the Technical Committee identifies some issues that need to be clarified or if the Technical Committee should determine if an application is incomplete and that the applicant should resubmit during the next grant round.

It was stated that the Commission, Advisory Board, and staff have done their due diligence in putting enough information into the application process that the applicant should know what is expected of them. Applicants should ask questions before they submit applications not after.

It was indicated that applicants be encouraged to submit their applications before the deadline and allow the staff time to work with the applicant to make sure that the application is complete. However, once that 3 day window past the deadline is over the applicant will not be able to change their application. If it is incomplete it should be completed and submitted at a future round. There are some entities that do not have experience in writing applications and we should encourage them to work with the staff prior to the application deadline to make sure their applications are complete.

It was the consensus of the Board that this be the process used in future rounds.

Ducks Unlimited Letter Discussion

Mr. Moser said everyone got a letter from Ducks Unlimited and because they used his name in the letter he wanted an opportunity to respond. He stated, “If you go to the grant, they have asked for no dollars. I didn’t intend to imply they haven’t done anything at all. But I’m frustrated. We awarded it in 2013. They didn’t sign it until a year and a half later in 2015. They couldn’t deliver on the application as submitted. We bent over backward. We met with them. They felt they could only make it work if the money was donated to the federal government. If I made a mistake, it was that they should have come back to this Board to rehash it out. The resolution was an account that DU put money into, an NRCS account, and then OHF matches. They received the 10% they’re allowed upfront. No reports are due. I wasn’t inaccurate at all and I’m offended that a letter went out to everyone here and the Commission that he was inaccurate. I had no intention to drag them down, but they did have difficulties from the very beginning and it has worked its way through the process. He is disappointed in the letter going out. He wanted everyone to understand almost two years of effort went into this project and he didn’t think his statements were inaccurate.”

Mr. Hutchens indicated that someone from Ducks Unlimited is in the room if the Board would like them to respond to Mr. Moser’s comments. Mr. Reierson stated that if they were to speak we’d just get into a discussion we don’t need to have. They sent out their letter, we heard from Mr. Moser and from his standpoint he is good where we are at. Several Board members indicated that they agreed with Mr. Reierson. Ms. Fine said some of the delay in getting the Ducks Unlimited contract signed was due to her workload. She didn’t want the Board to think that the delays were a result of a lack of Ducks Unlimited efforts. Mr. Melchior said the contract has been signed and the project is moving forward.
Calendar Discussion

Ms. Fine said if the Model Subcommittee does meet in the next two months and comes up with recommendations that goes to the Industrial Commission does this Board want to meet before that happens. Mr. Reierson said he thinks the Board needs to review the recommendations before they go to the Industrial Commission.

There was discussion as to when the Board wanted to meet to consider the Grant Round 8 applications (application deadline is November 1). Based on previous rounds it generally takes 6 to 8 weeks to get everything ready for the Advisory Board meeting which would mean meeting the week of December 26.

The suggestion was made to skip the November 1, 2016 grant round because of uncertainty about the funding that would be available. After discussion it was decided to proceed with the November 1, 2016 grant round based on the desire of the Commission and the Board members to keep the program moving forward even if there are only one or two applications funded each round.

Since it appeared that there could be a meeting of the Board prior to the November 1 Grant Round 8 application deadline it was decided to wait until that meeting to decide a meeting date for the Grant Round 8 applications to be considered.

Mr. Melchior thanked Mr. Hoffman for his years of dedicated service to the Board and wished him a good retirement.

It was moved by Mr. Kuylen and seconded by Mr. Godfread to adjourn the meeting. The motion carried.

Being no further business, Chairman Melchior adjourned the meeting at 5:55 p.m.

Jim Melchior, Chairman

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Recording Secretary