Present: Jim Melchior, OHF Advisory Board Chairman  
Randy Bina, OHF Advisory Board  
Joshua DeMorrett, OHF Advisory Board  
Tyler Dokken, OHF Advisory Board  
Jay Elkin, OHF Advisory Board  
Carolyn Godfread, OHF Advisory Board  
Tom Hutchens, OHF Advisory Board  
Bob Kuylen, OHF Advisory Board  
Daryl Lies, OHF Advisory Board  
Wade Moser, OHF Advisory Board  
Kent Reierson, OHF Advisory Board  
Patricia Stockdill, OHF Advisory Board  
Casey Anderson representing Terry Steinwand, OHF Advisory Board  
Rhonda Kelsch, OHF Advisory Board  
Melissa Baker, OHF Advisory Board  
Larry Kotchman, OHF Advisory Board  

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

Chairman Jim Melchior called the meeting of the Outdoor Heritage Fund Advisory Board (“Board”) to order at 8:00 a.m. with a quorum being present. He introduced three new Board members: Joshua DeMorrett, Tyler Dokken and Melissa Baker. Terry Steinwand was unable to be present but Casey Anderson is representing Terry.

Ms. Karlene Fine, Industrial Commission Executive Director, stated the meeting is being live audio broadcasted over the internet and encouraged the members to use their microphones. A roll call was taken.

In regards to the June 26, 2017 agenda, Mr. Melchior indicated that the GR9-002 application has been withdrawn. No further additions or deletions were made to the agenda.

The December 20, 2016 meeting minutes were presented. (Copies are available in the Commission/OHF files.) It was moved by Mr. Moser and seconded by Mr. Hutchens to approve the December 20, 2016 minutes as presented. The motion carried.

Ms. Fine presented the financial report as follows:

Outdoor Heritage Fund (294)  
Financial Statement - Cash Balance  
2013-2015 Biennium

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2013 Balance</td>
<td>$0.00</td>
</tr>
<tr>
<td>Interest Revenue through June 30, 2015</td>
<td>$8,181.72</td>
</tr>
<tr>
<td>Revenues through June 30, 2015</td>
<td>$18,641,972.92</td>
</tr>
<tr>
<td>Grant Expenditures through June 30, 2015</td>
<td>$(2,386,247.96)</td>
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<tr>
<td>Administrative Expenditures through June 30, 2015</td>
<td>$(90,034.88)</td>
</tr>
<tr>
<td><strong>Cash Balance of $16,173,871.80</strong></td>
<td></td>
</tr>
</tbody>
</table>

Outdoor Heritage Fund (294)  
Financial Report - Cash Balance  
2015-2017 Biennium

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Minutes of a Meeting of the Outdoor Heritage Fund Advisory Board  
Held on June 26, 2017 at 8:00 a.m.  
DMR Conference Room, 1000 E Calgary  
Bismarck, ND
June 26, 2017 OHF Advisory Board Meeting

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2015 Balance</td>
<td>$16,173,871.80</td>
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<tr>
<td>Interest Revenue through May 31, 2017</td>
<td>$ 18,360.44</td>
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<tr>
<td>Revenues through June 19, 2017</td>
<td>$19,071,595.92</td>
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<tr>
<td>Grant Expenditures through May 31, 2017</td>
<td>$(8,445,733.08)</td>
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<tr>
<td>Administrative Expenditures through May 31, 2017</td>
<td>$(87,587.74)</td>
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<tr>
<td><strong>Total</strong></td>
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</tr>
<tr>
<td>Outstanding Administrative Expenses</td>
<td>$(62,412.26)</td>
</tr>
<tr>
<td>Outstanding Project Commitments as of May 31, 2017</td>
<td>$(17,804,101.65)</td>
</tr>
<tr>
<td><strong>Balance</strong></td>
<td><strong>$ 8,863,993.43</strong></td>
</tr>
</tbody>
</table>

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; …

After taking into consideration the amount of funds that have been committed, returned commitments, revenues, and administrative costs there is a balance of $8,863,993.43 available for consideration of today’s projects. Ms. Fine discussed the projected cash flows for the fund for the current 2017-2019 biennium. According to the State forecast, there will be $19.8 million to come into the Fund during this biennium. (A complete copy of the financial information is available in the Commission files.)

In response to a question from Mr. Moser, Ms. Fine explained project timelines are modified by contract amendments when circumstances are beyond recipients' control.

Mr. Melchior pointed out that the Legislature capped the 2017-2019 biennium’s awards at $10 million. Accordingly, there is $5 million for each year of the 17-19 biennium.

Mr. Melchior presented a draft of standards on fencing that was developed by the technical committee. At the last meeting there was considerable discussion on fencing and what types were appropriate to fund. Applicants have had some confusion of what is acceptable. Policies on boundary fencing and cross fencing should be established. There are several applications for consideration today that involve fencing. Mr. Anderson commented that some types of cross fencing require more effort by the producer and can be less effective. Boundary fences are a big expense for someone trying to establish a grass practice that isn’t grass or was previously CRP. It was noted that a fair amount of OHF funds are being spent on water and fencing to establish conservation practices. The more permanent the structures are, the more sustainable they will be. Mr. Reierison commented in response to a letter from Stutsman County that these were supposed to be doing demonstration projects in the hopes that other producers will see that the project works and follow suit. An established policy may hinder the ability for demonstration projects in new areas. Mr. Melchior responded that cell grazing is a standard practice. The difficulty can be making it cost effective to producers. The policies would be good for this type of project, not demonstration projects. Mr. Kuylen commented that electric fences are not effective during drought years. In response to a question from Mr. Hutchens, Mr. Anderson stated that the definition of wildlife friendly fencing
varies by location and the type of animals in the region. Ms. Fine commented that the definition that had been presented was specifically geared to the southwestern quadrant of the state with regards to antelope. Mr. Melchior asked the Board for guidelines for today’s cross-fencing applications. Several members requested flexibility for each proposal noting that historically the board has done a good job of funding projects that impact the most acres in North Dakota based on that flexibility. Concerns about boundary fencing were expressed because it enhances the value of the property. In response to a question from Mr. Hutchens, Mr. Melchior responded that fencing projects require a 60/40 split with the landowner. Ms. Vetsch clarified that 60/40 splits apply primarily to 319 projects. Ms. Fine stated that the Industrial Commission prefers a 60/40 split. The application does not have any specific guidelines about the preference for a 60/40 split. The application should request information about whether the fencing is boundary or cross fencing, along with new or replacement fencing. Mr. Melchior ended the discussion by requesting that Ms. Fine draft language for the application that requires more details on fencing projects.

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

GR9-007 - Hay Creek Bank Stabilization - Bismarck Parks and Recreation District - $77,961.22 - Directive D – Project summary: Repair erosion and stabilize a portion of the Hay Creek stream bank using riprap and natural soil stabilization measures. Re-establishing the riparian environment will maintain the slope and provide improved habitat and will help to maintain water quality and channel conveyance on Hay Creek. (A copy of the PowerPoint presentation is available in the Commission files.) Mr. Dave Mayer and Michael Gun gave the presentation.

Ms. Godfread commented that this project also appears to protect the landowners behind the trail, which is something the Board may want to consider.

In response to other questions, Mr. Mayer noted:

- When the project was designed in 1999, it was intended to connect the Hay Creek Corridor trail system. It was never intended to be a loop, it was meant to avoid people from walking on sidewalks on 19th St. and Century Ave. Right now it connects 19th and Century and then you can go under the interstate and get to Rosser Ave. There is no other safe way to cross the creek.
- The houses do present an erosion risk. The critical issue is the slope itself. Whether the houses were there or not, the steep slope would be an issue. The issue on the upper slope with the houses is not related to the lower bank. They are entirely independent of one another. This is to protect the trail.
- There is a solution underway to restore upper bank. That is independent to this project. The Park District is in the process of doing the restoration. The sloping problem from the houses should be fixed before they fix the lower bank of the creek.
- This is a very popular trail.
- This is a natural stream that is migrating and creating erosion. This has resulted in an increased wet cycle. The erosion has increased and this is a preventative measure on the floodway and the habitat. The costs of taking the materials out of the stream bed if the bank failed would be significant.

GR9-003 - Public Accessible Sensory Garden - Jamestown Parks & Recreation Foundation - $33,890 - Directive D – Project summary: Construction of an accessible "sensory" garden with a double vaulted toilet, 300 foot concrete pathway, 5 benches and 24 flower boxes, and 170 foot board walk. Also included are trees, bushes and flowers. Ms. Paulette Ritter and Ms. Joan Morris gave the presentation. (A copy of the PowerPoint presentation is available in the Commission files.) In response to questions, they noted the following:

- They are requesting OHF funds for the concrete, vaulted toilets, benches and flower boxes. The trees have been purchased by residents of Jamestown.
- The vault toilet expenses included the land prep for the toilet, the toilet, and walkway.
• The park is located across from the Hillcrest Golf Course. Park and Rec already maintains the soccer fields nearby and will maintain this park as well.
• Many parents that visit the Anne Carlsen Center like to take their children off site. If this is accessible it would be a nice option.
• Even though the School for the Blind and the School for the Deaf are not located in Jamestown, they will market to those schools.
• Jamestown does not have a formal long term plan to develop the park.

GR9-016 - Hi-Line Prairie Gardens and Orchard - Valley City State University - $17,816.86 - Directive D
– Project summary: Funding for Phase II of Hi-Line Prairie Gardens and Orchard which includes installation of retaining wall, planting of fruiting shrubs and 3000 square feet of native flowering plants. (A copy of the PowerPoint presentation is available in the Commission files.) Ms. Lauren Dennhardt gave the presentation.

In response to a question from Mr. Melchior, Ms. Dunhart replied that she was unsure if the City of Valley City was providing any funds as part of the match.

GR9-009 - Community Gathering Place Phase I: Playground Equipment & Amenities; Phase II: Basketball Court Refurbishment - City of Flaxton - $28,650 - Directive D – Project summary: Purchase of playground equipment, installation of basketball court and backboards. There was not a presentation provided for this application.

GR9-004 - Double Ditch State Historic Site and Recreation Area Bank Stabilization Project - State Historical Society of North Dakota - $282,529 - Directive D - Project summary: Bank stabilization along the Missouri River at Double Ditch, construction of river access trail, ADA access walking and bike trail, and trail and river signage. (A copy of the PowerPoint presentation is available in the Commission files.) Ms. Claudia Berg, Ms. Fern Swenson, and Mr. Dave Skalsky gave the presentation. In response to questions, they stated the following:
• This is Corps controlled land. The project is above the high water mark at this point. Because of this they do not need a Corps permit. The state owns the land that the project will take place on.
• Funding was requested, but not received from the Corps.
• The Legislature has provided approximately $3.25 million for the project. The estimated costs of the project are $2.9 million. This leaves approximately $330,000 for contingency. The OHF funds would be used as contingency beyond that.
• The funds from the Legislature can be used for the kayak landing, walking paths, etc.
• Any unused OHF funds would be returned.
• Many tribal members are providing time in meetings to the project. This in-kind match was not included in the proposal. There have been discussions about asking Tribes to help pay for this. However, it is State property and it is the State’s responsibility to maintain it.

GR9-010 – Pheasant Lake Fishing Access/Shoreline Restoration Phase 2 - Dickey County Park Board - $21,500 - Directive A – Project summary: Shoreline restoration and excess sediment removal, installation of erosion barrier and riprap, construction of an earthen fishing pier. (A copy of the PowerPoint presentation is available in the Commission files.) Ms. Cary Wertz gave the presentation. In response to questions, she stated the following:
• The Park Board operates on revenues from taxes. Their budget is $45,000-$50,000 annually. Those funds contribute to the project. There is a Pheasant Lake Home Owners Association that has provided a small amount to the project in the past. They would be open to providing funds. They have approximately $2,000 available.
• Dickey County Park Board is responsible for managing the Lake. They maintain the park with a budget of approximately $8,500 per year.
• This project would benefit the individuals that live on the lake as well as residents of the county that visit the lake. Recent years have seen an increase in usage of the lake. The texas crossing installed previously is already making a huge impact in reducing sediment.

• The 250 ft is connected to the beach. The land is owned by the county. There have been inquiries, but the county is not interested in selling it.

GR9-001 - Blickensderfer Dam Repair - Hettinger County Water Resource District - $11,700 - Directive C – Project summary: Repair and armoring of the Blickensderfer Dam including reshaping the eroded area and placement of rock rip-rap to protect the embankment from further erosion. There was not a presentation provided for this application.

GR9-008 – Kathryn Dam Repurposing Project - Barnes County Water Resources District - $161,423.60 - Directive C – Project summary: Removal of the Kathryn Dam and abutments and construction of a series of rock riffles upstream of the existing dam footprint. Channel banks in the immediate project vicinity would be stabilized and restored with vegetation. Angler access and recreational opportunities will be improved. (A copy of the PowerPoint presentation is available in the Commission files.) Mr. Michael Pat and Mr. Jerry Heib gave the presentation. In response to questions, they stated the following:

  • Theoretically, the arches will outlast the dam. This is why the project is so expensive. It is necessary to obtain the right sized rock, and then any pressure from upstream locks them tighter. It will be low maintenance.
  • This will go above the high water mark with other erosion measures.
  • A path around the edge for kayakers wishing to portage can be worked into the plan with the improved angle access. Right now it is just a sheer wall with an old ladder.
  • The Water Commission has allocated funding for the design phase. They elected not to go forward with the construction phase until they secured additional funding. They are studying additional benefits to comply with a request for addition Water Commission funds. The biggest funding sources are the Water Commission and OHF.
  • Public access will be maintained. The Wildlife Club has built a parking area with bathrooms and they built some stairs and walkway areas on the east side. Much of that has been washing out. The path would need to be widened out for walking. The other side is private. New owner is amenable to foot access on the west side. There is an easement in place.
  • They will go back to the Water Commission in the summer to request additional funding. They are requesting OHF funds for the recreational benefits. There is still $260,000 of local funds that need to be secured that is coming out of the Board’s general fund and county commission contributions as well. This will either be direct dollars or a financing package over time.

Following a break, Chairman Melchior reconvened the Outdoor Heritage Fund Advisory Board meeting at 10:20.

GR9-015 – Grand Forks County Prairie Management Toolbox - Audubon Dakota & North Dakota Natural Resources Trust - $121,220 - Directive C – Project summary: Provide funding for native prairie restoration (200 acres), invasive woody vegetation removal (10,000 acres) and grazing system support (3,000 acres) for private landowners in the Grand Forks County Prairie. (A copy of the PowerPoint presentation is available in the Commission files.) Mr. Marshall Johnson gave the presentation. In response to questions, he stated the following:

  • Game and Fish are contributing $200,000 through the PLOTS program. Landowners will be paid an annual payment for access to hunters. Enrollment in PLOTS will not be mandatory.
  • Access isn’t required, but they are directing people to the programs.
  • There is a large amount of acres being impacted by the project. Normally payments to landowners can be $1,000/acre. This project is looking at $20-$50/acre.
  • Landowners have been identified through project partners, including Game and Fish.
  • They requested information from partners to determine prices paid for acres.
- Fencing is a mix between boundary fencing and cross fencing.
- Invasive woody materials will be removed by mechanical removal. None of it will use fire methods.
- Some areas will need to be replanted to grass.

GR9-012 - Water Storage and Grass Seeding - North Dakota Natural Resources Trust - $292,500 - Directive C – Project summary: Assist landowners with a one-time water storage incentive and cost-share for seeding cropland acres to grass with priority given to acres that have the characteristic of annual agricultural cropping inputs with low or no crop productivity. The goal is to restore 700 surface acres of wetlands and to seed 1,125 acres to grass. (A copy of the PowerPoint presentation is available in the Commission files.) Mr. Terry Allbee gave the presentation. In response to questions, he stated the following:
  - The wetlands will be a working wetlands concept. In dry years, land owner typically will have full use of the land including cropping. It will depend on other programs the landowner is participating in. They will partner with state, federal, and non-governmental programs. The programs will provide cost-share to the landowner and will each have their own policies.
  - This is a 10 year term. The agreement will be with whichever agreement the landowner chooses. The goal is to restore the wetlands for 10 years.
  - Public access will be promoted when speaking with landowners.
  - Impact on wildlife habitats will be difficult to evaluate because it will be spread out across the state. Before and after photos will be taken.
  - Grasses cannot be tilled, but they can be hayed or grazed. Intermixing forbes will be encouraged. Alfalfa will not be encouraged.
  - In the wetland component, other cooperators refers to landowners, NDNRT, and any state, federal, and non-governmental organization that does wetland cost-sharing. Landowners will be tied to the rules of the program selected.

GR9-011 - Red River Riparian Program - Phase 6 - Red River Regional Council - $584,200 - Directive B – Project summary: Cost share assistance for 60% of total projects costs related to implementation of certain best management practices to restore, protect and employ effective management of riparian areas as well as livestock and farmland along the Red River riparian corridor. Cost share assistance of 21% of the total project costs for the native prairie restoration project. (A copy of the PowerPoint presentation is available in the Commission files.) Ms. Danielle Gorder gave the presentation. In response to questions, she stated the following:
  - The special assessment districts have already been established. This is the applicant’s cash match share in the budget. Other project sponsor share is a combination of State Water Commission assistance, 319 funds, Enbridge grant program.
  - Best management practices refers to prescribed grazing practices, river bank stabilization, cover crops, establishment and restoration of riparian corridors.
  - Two stage ditch projects involve both existing and new ditches.

GR9-006 – Southwest Grazing Lands Improvement Project - Pheasants Forever, Inc. $232,083 - Directive B – Project summary: Installation of grazing systems to promote rotational grazing on approximately 6,000 acres of private land. Grazing systems will include cross fencing, pipelines and watering facilities and grass plantings. (A copy of the PowerPoint presentation is available in the Commission files.) Ms. Rachel Bush gave the presentation. In response to questions, she stated the following:
  - The contract will be between the landowner and Pheasants Forever. They will work with other partners to get referrals.
  - There is not a research component to this project so improvement will be difficult to evaluate. Improvement will be assumed through management best practices.
  - Infrastructure and grass plantings will all be a 60/40 split. No other incentives will be paid to landowners with these funds.
GR9-014 – Give Me Back My Acres - Towner County Soil Conservation District - $3,334.25 - Directive B – Project summary: Seeding of specific cover crop on a maximum of 40 salinity acres. (2.5 acres maximum per producer) (A copy of the PowerPoint presentation is available in the Commission files.) Ms. Carie Moore gave the presentation. In response to questions, she stated the following:

- The hope is that once landowners see that this will work, they will either continue to do it on their own or will have the opportunity to sign up for EQIP or CSP. The goal is to just get them started.

GR9-013 - Cover Crop & Livestock Integration Project - Ducks Unlimited, Inc. - $625,394.90 - Directive B – Project summary: Provides a 60% cost share for cover crop implementation and grazing infrastructure necessary for livestock integration on cropland on more than 5,280 acres in southeast ND and enhances an additional 1,900 acres of grassland. Five year agreements will be required with the landowner. (A copy of the PowerPoint presentation is available in the Commission files.) Mr. Tanner Gue gave the presentation. In response to questions, he stated the following:

- Cover crops typically have a one season use and the land will be planted with something else the following summer. You can overseed right into cover crops. A fall seeded cover crop could also be used for cattle, and then you can plant your cash crop.
- Staffing will be paid by Ducks Unlimited and Pulse USA as in-kind match.
- There are no incentive payments in this project. But there is permanent boundary fencing and cross fencing on a case by case basis.

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.

There was general discussion by the OHF Advisory Board on the Grant Round 9 application as follows:

**GR9-007 - Hay Creek Bank Stabilization - Bismarck Parks and Recreation District**

Mr. Bina commented that the slope failure happened a few years ago. The Board along with landowners and the City of Bismarck completed a study of both the slope failure by the creek and up by the trail and west of the trail by the homes. The study determined that the two failures were independent of one another. At this time they are extending the study to develop more detailed plans and cost estimates for the upper slope failure. Burleigh County WRD has agreed to pay for part of the engineering for the lower slope with the understanding that the upper slope would be addressed. Many comments have been received by the general public regarding this situation because this trail is frequently used. There are no alternative route replacements.

Chairman Melchior would like a contingency that the upper slope must be repaired before receiving OHF funds for the lower slope.

**GR9-003 - Public Accessible Sensory Garden - Jamestown Parks & Recreation Foundation**

This project does have a building on it. One of the requirements for funding buildings is that it is part of a comprehensive plan. There is no comprehensive plan associated with this project.

This is a unique project. It does meet the criteria for a new or expanded recreational project. What is the definition for the comprehensive plan? Does it need to be for the entire park district?

**GR9-016 - Hi-Line Prairie Gardens and Orchard - Valley City State University**

Some board members noted that Valley City has not contributed any match.
There was discussion regarding whether gardens meet the directives. Gardens may be some people’s only outdoor access. There is certainly an educational benefit. In national studies of outdoor recreation, gardening is included in the categories for outdoor recreation.

**GR9-009 - Community Gathering Place Phase I: Playground Equipment & Amenities; Phase II: Basketball Court Refurbishment - City of Flaxton**

It was noted that this covers the purchase of playground equipment in Phase I and refurbishing basketball courtyards in Phase II. The technical committee felt that the maximum amount that could be funded for Phase I is $6,673.50. The other items would be ineligible.

It was also noted that the City of Mott previously submitted a proposal for basketball courts and was denied because there wasn’t a conservation component.

**GR9-004 - Double Ditch State Historic Site and Recreation Area Bank Stabilization Project - State Historical Society of North Dakota**

There was discussion about the Corps impact and potential responsibility to the project. The Corps is not providing anything. The Corps does not own the land on which the erosion activity occurs. They have regulatory authority over the use. It is understandable why they limited the project to the high water mark. Ultimately, this is State land and the State’s responsibility.

The work needs to be done. There were legislative discussions to use OHF funds. A contingency could be put in place that all other funds must be utilized first. The funding level need is unclear. They are going to be under budget. With limited funds, it may be best to table this proposal until a later date.

**GR9-010 - Pheasant Lake Fishing Access/Shoreline Restoration Phase 2 - Dickey County Park Board**

**GR9-001 - Blickensderfer Dam Repair - Hettinger County Water Resource District**

This is a modest request that has an impact on local communities. Hopefully we see more projects like this. The Water Commission did the work on the cost estimate. The Water Commission would need to provide the $15,600. To date this hasn’t been approved. If it was funded it would need to be contingent on receiving the other funding.

There were concerns that this might fall under the “no consideration” section of the law that prohibits funds be used for maintenance on existing facilities. However, many projects could be construed at maintenance projects. The Board must be able to determine how this is improving the area, not just maintaining it.

**GR9-008- Kathryn Dam Repurposing Project - Barnes County Water Resources District**

Support for the project was expressed. The dam is an issue for kayakers. This is a dangerous dam and this project will make it more recreational and friendly. It was noted that engineering costs must be limited to 10% by law.

**GR9-015 - Grand Forks County Prairie Management Toolbox - Audubon Dakota & North Dakota Natural Resources Trust**

Several members expressed support for this project. There was discussion about return on investment as it related to the number of acres impacted. This project has people identified and appears ready to go. Audubon Dakota is aggressive in completing projects.

There was discussion about the woody waste removal. It is an issue and when landowners see the impacts more will engage in this practice. Concerns about controlled burns were expressed. This could make many acres productive again.
It was noted that Game and Fish can provide funds from the PLOTS program to open up access. This could replace the CRP payment in some cases. It is dependent on the landowner. Landowners could receive a payment for both CRP and PLOTS. In those cases, the PLOTS payment would be small.

**GR9-012 - Water Storage and Grass Seeding - North Dakota Natural Resources Trust**

There was support for the grass seeding but the wetland component was something the program has previously avoided. Earlier direction from the Industrial Commission was to avoid incentive payments.

There were concerns that the project seems to have a low return on investment in terms of acres impacted.

**GR9-011 - Red River Riparian Program - Phase 6 - Red River Regional Council**

Concerns were expressed regarding 319 funds and the availability of those funds in the future. The project depends on receiving 319 funds. There was confusion about how the 319 funds would be applied. The budget seemed unclear to some members. Ms. Fine clarified that the additional best management practices in the budget have not been identified and so the use of 319 funds in that area is unclear. The first projects listed in the budget do describe how 319 funds will be utilized and those funds have been committed.

The improvement of the ditch system for water management was intriguing. Members acknowledged a need for new draining methods in that region.

**GR9-006 - Southwest Grazing Lands Improvement Project - Pheasants Forever, Inc.**

There were concerns that this project would be funneling through an organization that does not have staff specifically trained in range management. Additionally there were concerns about the sustainability of the project with unclear project ownership. This is a considerable amount of funds; ownership and management of the program needs to be clear.

Some members felt that Pheasants Forever would work through local partners to identify interested landowners. This could be a good vehicle to deliver activities across the state in regions where there may only be one small project. They may not have the specific qualifications, but can serve in the role of facilitator to open channels of communication.

Suggested contingencies include that all activities have a 60/40 cost share and that no incentive payments be made, and that OHF funds would not be used for staffing expenses.

**GR9-014 - Give Me Back My Acres - Towner County Soil Conservation District**

There was support of the approach. Pictures can speak louder than words when it comes to widespread adoption of best practices.

**GR9-013 - Cover Crop & Livestock Integration Project - Ducks Unlimited, Inc.**

Members discussed the value of the project. This project aims to work with 7,000 acres and has a good match. There was concern about funding boundary fencing. State law requires cattle producers to maintain a perimeter fence to ensure cattle does not wander onto other people’s property. The exterior of the croplands will be fenced. It would basically be all boundary fencing.

There was discussion regarding the fact that Ducks Unlimited still has approximately $700,000 of prior grant funds unexpended. In particular, two of the projects were very similar to this one. Those two projects account for approximately $520,000. We have a significant amount of money that has not been spent. Perhaps the effort needs to be completion of prior funds before we obligate more funds. Some members felt however, that this project appears to have landowners in place. If Ducks Unlimited is on schedule for the previously funded projects, this should not be a detriment.
One member felt this project provides a nice ability to partner non-livestock crop producers with cattle ranchers. This would be a valuable result of the project.

Chairman Melchior asked the voting Board members to complete their scoring sheets and turn them in to Ms. Fine. Ms. Fine noted one conflict of interest -- Mr. Bina had a conflict on GR9-007 – Hay Creek Bank Stabilization. The Board took a break while the scoring was compiled.

Chairman Melchior reconvened the Board. 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 four projects that had received six or more zeros for funding. Chairman Melchior asked if any Board member wanted any of these projects voted on separately.

It was moved by Mr. Moser and seconded by Mr. Hutchens that the following applications not be recommended to the Industrial Commission for Grant Round 9 funding:

1. GR9-003 - Public Accessible Sensory Garden - Jamestown Parks & Recreation Foundation - $33,890
2. GR9-004 - Double Ditch State Historic Site and Recreation Area Bank Stabilization Project - State Historical Society of North Dakota - $282,529
3. GR9-007 - Hay Creek Bank Stabilization - Bismarck Parks and Recreation District - $77,961.22
4. GR9-016 - Hi-Line Prairie Gardens and Orchard - Valley City State University - $17,816.86

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

Chairman Melchior stated there are ten projects remaining that have been recommended for funding and the Board will take them in the order that they were presented starting with GR9-009.

It was moved by Mr. Kuylen and seconded by Ms. Godfread that the Community Gathering Place Phase I; Playground Equipment & Amenities, Phase II: Basketball Court Refurbishment submitted by the City of Flaxton be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $6,673 (Application GR9-009). On a roll call vote Kuylen, Godfread, Bina, DeMorrett, Dokken, Elkin, Hutchens, Lies, Melchior, Moser, Reierson and Stockdill voted yes, no one voted nay. The motion carried unanimously.

Mr. Kuylen stated that this is a small town in the oil patch that has been affected by the oil boom. This is a small amount of funds and it would be nice to support the community.

It was moved by Mr. DeMorrett and seconded by Mr. Reierson that the Pheasant Lake Fishing Access/Shoreline Restoration Phase 2 project submitted by the Dickey County Park Board be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $21,500 (Application GR9-010). On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson and Stockdill voted yes, no one voted nay. The motion carried unanimously.

It was moved by Mr. Kuylen and seconded by Mr. Bina that the Blickensderfer Dam Repair project submitted by the Hettinger County Water Resource District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $11,700 (Application GR9-001). On a roll call vote Bina, Dokken, Godfread, Hutchens, Kuylen, Lies, Reierson and Stockdill voted yes, and DeMorrett, Elkin, Melchior, and Moser voted nay. The motion carried.
It was moved by Ms. Godfread and seconded by Mr. Elkin that the Kathryn Dam Repurposing Project submitted by the Barnes County Water Resources District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amended amount of $159,505 (Application GR9-008) noting that the engineering costs are being limited to 10%. On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson and Stockdill voted yes, no one voted nay. The motion carried unanimously.

It was moved by Ms. Godfread and seconded by Mr. Dokken that the Grand Forks County Prairie Management Toolbox application submitted by Audubon Dakota & North Dakota Natural Resources Trust be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $121,220 (Application GR9-015). On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson and Stockdill voted yes, no one voted nay. The motion carried unanimously.

It was moved by Mr. Moser and seconded by Mr. Lies that the Water Storage and Grass Seeding application submitted by the North Dakota Natural Resources Trust be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $67,500 with the requirement that OHF funds may only be used for grass seeding (Application GR9-012). On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson and Stockdill voted yes and Elkin voted nay. The motion carried.

In the discussion, Mr. Reirson noted that without landowner incentive payments, landowners are being asked to sacrifice profit for the public. Lost production is something that should be considered. Mr. Melchior felt that if individuals are willing to do it for cost share, we should continue to proceed in this manner.

It was moved by Ms. Godfread and seconded by Ms. Stockdill that the Red River Riparian Program -Phase 6 application submitted by the Red River Regional Council be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $584,200 (Application GR9-011). On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson and Stockdill voted yes and Elkin voted nay. The motion carried.

In the discussion, Mr. Hutchens noted that he received clarification from the applicant regarding the use of 319 funds. The 319 funds are used for administrative expenses. OHF funds are used for physical projects.

It was moved by Mr. Elkin and seconded by Mr. DeMorrett that the Southwest Grazing Lands Improvement Project application submitted by Pheasants Forever be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $232,083 (Application GR9-006).

It was moved by Mr. Moser and seconded by Ms. Godfread that the motion be amended to an amount of $216,900 (Application GR9-006).

Mr. Moser explained his reasons for the amendment by stating that the applicant should be responsible for providing the staffing. He did not feel that the applicant provided adequate justification for the staff expenses.

On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson and Stockdill voted yes, no one voted nay. The amendment carried unanimously.

It was moved by Mr. Elkin and seconded by Ms. Godfread that the amended motion be further amended to include the requirement that participants are required to provide a minimum cost
share of 60/40 and that no incentive payments be made to land owners (Application GR9-006). On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, and Stockdill voted yes, Reierson voted nay. The amendment carried.

It was moved by Mr. Elkin and seconded by Mr. DeMorrett that the Southwest Grazing Lands Improvement Project application submitted by Pheasants Forever be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amended amount of $216,900 with the requirement that participants are required to provide a minimum cost share of 60/40 and that no incentive payments be made to land owners (Application GR9-006). On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson and Stockdill voted yes, no one voted nay. The motion carried unanimously.

It was moved by Mr. Kuylen and seconded by Mr. Dokken that the Give Me Back My Acres application submitted by the Towner County Soil Conservation District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $3,334.25 (Application GR9-014). On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Reierson and Stockdill voted yes, and Moser voted nay. The motion carried.

It was moved by Mr. Hutchens and seconded by Ms. Stockdill that the Cover Crop & Livestock Integration Project application submitted by Ducks Unlimited, Inc. be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $625,934.90 (Application GR9-013).

In the discussion, Mr. Moser questioned if the funding is necessary at this time. Ms. Fine clarified that the applicant has received an extension for prior projects due to weather related events. She has been informed that the prior projects funding has been utilized and the OHF reimbursements will be made pending receipt of the final reports. It is anticipated that the funds will be expended in the next 3-4 months.

It was moved by Mr. Lies and seconded by Mr. Elkin that the motion be amended to include the requirement that participants are required to provide a minimum cost share of 60/40 and that no incentive payments be made to land owners (Application GR9-013).

Mr. Lies explained his reasons for the amendment by stating that the he felt there should be consistency in the use of OHF funds.

On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, and Moser voted yes, Reierson and Stockdill voted nay. The amendment carried.

It was moved by Mr. Hutchens and seconded by Ms. Stockdill that the Cover Crop & Livestock Integration Project application submitted by Ducks Unlimited, Inc. be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of $625,934.90 with the amended requirement that participants are required to provide a minimum cost share of 60/40 and that no incentive payments be made to land owners (Application GR9-013). On a roll call vote Bina, DeMorrett, Dokken, Godfread, Hutchens, Lies, Melchior, Reierson, and Stockdill voted yes, Elkin, Kuylen, and Moser voted nay. The motion carried.

Ms. Fine asked for the scoring sheets to be turned back in.

Mr. Melchior presented a letter from Stutsman County Soil Conservation District. (A copy of the letter is available in the Industrial Commission files.) The letter addressed concerns in the consistency of the approval process and recommended that cost share guidelines be put in place. It was noted that cost share guidelines are currently in place, but they could be modified to include the new language regarding
fencing once approved. The letter also recommended a ranking system. However, the program already has a fair and reasonable ranking system in place. Finally, the letter urged Advisory Board Members to vote in a manner consistent with the organization that each individual represents. The general consensus was that this is already occurring, but occasionally compromises take place. If the respective memberships do not agree with the manner in which they are being represented, steps can be taken internally. The Industrial Commission will respond to the letter with feedback from the Advisory Board.

Ms. Fine distributed a draft of language on fencing guidelines and a 60/40 cost share split with producers and landowner. (A copy is available in the Industrial Commission files.)

It was moved by Mr. Hutchens and seconded by Mr. Bina to accept the language on fencing guidelines that states “If you are requesting funding for fencing, please note that the Board/Commission’s preference is for a cost share level of 60/40% on actual costs. Please Include detailed information on the type of fencing to be installed and whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.” and add it to the application form.

There was discussion on how applications without clear projects would be treated. It was determined that they would not be funded due to lack of specific information. There was concern that the 60/40 split could be misinterpreted.

It was moved by Mr. Lies and seconded by Mr. Reierson to amend the language to state “If you are requesting funding for fencing, please note that the Board/Commission’s preference is for a minimum cost share of 40% by the recipient. Please include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.” On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson, and Stockdill voted yes. The amendment carried unanimously.

It was moved by Mr. Hutchens and seconded by Mr. Bina to accept the language on fencing guidelines that states “If you are requesting funding for fencing, please note that the Board/Commission’s preference is for a minimum cost share of 40% by the recipient. Please include detailed information on the type of fencing to be installed, whether funding is requested for boundary fencing, new or replacement of existing fencing, and/or cross fencing.” and add it to the application form. On a roll call vote Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reierson, and Stockdill voted yes. The motion carried unanimously.

Ms. Fine distributed a summary on Grant Rounds 1 - 8 and noted that this summary had been distributed to Legislature. (A complete copy of the summary is available in the Commission’s files.) The summary included a map of where OHF funded projects are located. Foster County did not have a project; however they did receive a funding recommendation today so this may change. Then the whole state would be covered. A report on the status of projects was included. Of 102 projects that have been award, 51 are still active. Ms. Fine noted that every project report received is posted on the website. OHF funds are being leveraged quite well. Project participants have leveraged $29 million of OHF funds with $105 million in funds from other partners.

Chairman Melchior asked for discussion on the calendar stating the second grant round for 2017 needed to be established. A November 1st application deadline was suggested.

It was moved by Mr. DeMorrett and seconded by Mr. Kuylen to establish November 1st, 2017 as the next application deadline. By voice vote the motion carried unanimously.
Chairman Melchior asked for discussion on the calendar stating the applications deadlines for 2018 needed to be established. Deadlines of April 2, 2018 and October 1, 2018 were suggested.

**It was moved by Mr. Kuylen and seconded by Mr. Elkin to establish April 2, 2018 and October 1, 2018 as the application deadlines in 2018. By voice vote the motion carried unanimously.**

Chairman Melchior asked for discussion on the calendar stating the applications deadlines for 2019 needed to be established. Deadlines of May 1, 2019 and November 1, 2019 were suggested.

**It was moved by Mr. Elkin and seconded by Mr. DeMorrett to establish May 1, 2019 and November 1, 2019 as the application deadlines in 2019. By voice vote the motion carried unanimously.**

**It was moved by Mr. Hutchens and seconded by Mr. DeMorrett to adjourn the meeting. The motion carried.**

Being no further business, Chairman Melchior adjourned the meeting at 2:45 p.m.

Jim Melchior, Chairman

Recording Secretary