

Minutes of a Meeting of the Outdoor Heritage Fund Advisory Board
Held on May 14, 2018 at 8:30 a.m.
DMR Conference Room, 1000 E Calgary
Bismarck, ND

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
Daryl Lies, OHF Advisory Board
Wade Moser, OHF Advisory Board
Kent Reiersen, OHF Advisory Board
Patricia Stockdill, OHF Advisory Board
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 8:30 a.m. with a quorum being present. He stated the meeting is being live audio broadcasted over the internet and encouraged the members to use their microphones.

No additions or deletions were made to the agenda.

It was moved by Mr. Lies and seconded by Mr. Moser to approve the June 26, and November 30, 2017 minutes as presented. The motion carried unanimously.

Ms. Fine presented the revised financial report summary as follows:

Outdoor Heritage Fund (294) Financial Statement - Cash Balance 2013-2015 Biennium		<u>Cash Balance</u>
July 1, 2013 Balance		\$ 0.00
Interest Revenue through June 30, 2015		\$ 8,181.72
Revenues through June 30, 2015		\$18,641,972.92
Grant Expenditures through June 30, 2015		\$(2,386,247.96)
Administrative Expenditures through June 30, 2015		<u>\$ (90,034.88)</u>
		\$16,173,871.80

Outdoor Heritage Fund (294) Financial Report - Cash Balance 2015-2017 Biennium		<u>Cash Balance</u>
July 1, 2015 Balance		\$16,173,871.80
Interest Revenue through June 30, 2017		\$ 20,511.34
Revenues through June 30, 2017		\$19,958,440.16
Grant Expenditures through June 30, 2017		\$ (9,276,643.39)
Administrative Expenditures through June 30, 2017		<u>\$ (88,543.96)</u>
		\$ 26,787,635.95

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

57-51-15. Outdoor Heritage Fund - Deposits.

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

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

Outdoor Heritage Fund (294)
Financial Report - Cash Balance
2017-2019 Biennium
May 14, 2018 OHF Advisory Board Meeting

	<u>Cash Balance</u>
July 1, 2017 Balance	\$ 26,787,635.95
Interest Revenue through March 31, 2018	\$ 12,231.21
Revenues through <u>April 11, 2018</u>	\$ 9,651,691.12
Grant Expenditures through March 31, 2018	\$ (2,451,934.61)
Administrative Expenditures through March 31, 2018	<u>\$ (984.06)</u>
	\$ 33,998,639.61
Outstanding Administrative Expenses	\$ (149,015.94)
Outstanding Project Commitments as of March 31, 2018	<u>\$(16,766,830.97)</u>
Balance	\$ 17,082,792.70

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

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

57-51-15. Outdoor Heritage Fund - Deposits.

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. The State Treasurer shall allocate the funding in the following order:...

(e) (1) For the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall allocate eight percent of the amount available under this subsection to the North Dakota outdoor heritage fund, but not in an amount exceeding ten million dollars per biennium. For purposes of this paragraph, "biennium" means the period beginning September first of each odd-numbered calendar year and ending August thirty-first of the following odd-numbered calendar year.

(2) After August 31, 2019, the state treasurer shall allocate 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 per fiscal year.

Ms. Fine noted that because of a recent deposit to the Fund, the information has changed. A revised copy was provided that shows that the balance of the Fund is \$33.9 million. There is \$17 million available for funding. The remaining amount allowable for the biennium has been deposited. The only other income for the remainder of the biennium will be interest income. This is on average \$1500-\$2000 per month. Sufficient funds are available if the Board would recommend funding for all of the proposals being presented today.

Ms. Fine stated that as of March 1, 2018, Ms. Andrea Pfennig became the Industrial Commission Deputy Executive Director. She is here in a new role today. She also took the lead on reviewing all the applications and other duties this OHF round. She appreciated having Ms. Pfennig's assistance.

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

GR11-19 (D) ND Parks and Recreation Dept.: Sheyenne River Water Trail Development, \$8,700 – Project summary: Improve accessibility and informational materials for canoeing on Sheyenne River. Mr. Matt Gardner gave a presentation. (A copy of the Power Point presentation is available in Commission files.) In response to questions, he stated:

- Every five years the Department does a State Comprehensive Outdoor Recreation Plan (SCORP) and examines non consumptive resources – recreation which is based toward camping and hiking but does not include hunting or fishing. This information might be helpful for the Board in making their decisions regarding recreation applications.
- He hasn't interacted with the landowners on this specific project, but in general landowners are open to it. Hopefully, accurate information for the individuals using the water trail would improve the situation for landowners as with the right information people would know where they can and can't go.
- The amount of time it takes to travel the entire distance varies based on the flow/current – sixty miles would be a day for the whole thing. However, that is the advantage of having a few put in - take out spots; if people want to go for a few hours or all day they can. No one would be required or forced to camp along the trail.

GR11-01 (D) Morton County Parks: Graner Park Bank Stabilization Phase 2, \$104,033 – Project summary: Stabilization and reinforcement of the Missouri River bank at Graner Park. Mr. Tim Nielsen provided a presentation. (A copy of the handout is available in the Commission files.) In response to questions, he stated:

- The Corp of Engineers now requires fractured rock.
- The last picture is a 2:1 slope. A person may have a bit of difficulty navigating the slope in the first 6 months but after the rock settles it doesn't pose a problem. He has had no reports of accidents on the slope that was previously done.

GR11-10 (D) Bismarck Parks and Recreation: Atkinson Nature Park Improvements, \$21,830 – Project summary: Improvements including: hiking trail, interpretive program, overlook area, parking for access, and eradication of invasive species. Mr. Dave Mayer gave a presentation. (A copy of the Power Point presentation is available in Commission files.) Mr. Mayer noted a few changes in the application. The proposed parking lot location has been moved to the south about 200 - 300 feet to accommodate the horse club. The budget has been adjusted to reflect this change.

In response to questions, Mr. Mayer stated the following:

- The existing trail is a cleared dirt path. The natural earth is a sandy loam. The new east/west connection would be the same, cleared of vegetation with markers.
- This area is open to the city bow hunt. Users are educated through the Bismarck Police Dept. The public is made aware of this as well.
- The land was donated to the Park District approximately 40 years ago. He noted that leafy spurge is being attacked right now through a variety of methods, including a beetle. The beetle approach has been used for a number of years. He noted that the beetles are not always successful and the Park recently hired a full time employee to specifically attacked weeds and invasive species.

GR11-20 (D) Audubon Dakota: Urban Woods and Prairies Initiative Expansion, \$545,550 – Project summary: Expand the Urban Woods and Prairies Initiative to Bismarck, Grand Forks and Minot seeding native grasses and wildflowers on 591 acres as well as 111 acres in Fargo. Ms. Sarah Hewitt gave a

presentation. (A copy of the Power Point presentation is available in the Commission files.) She introduced Josh Walski, Elly DesLauriers, Ron Merritt, Shannon Straight, and Dave Mayer as project partners who were there in support of the project. She noted that while sites for Grand Forks have not been selected, the city has committed 100 acres.

Mr. Walski noted that this project is very important to Minot to restore areas impacted by the 2011 flood. The Minot Park District anticipates saving significant funds by this project. Mr. Dave Mayer noted that the proposed area in Bismarck also was impacted by the 2011 flood and they are trying to establish new trees. A pollinator park in Zonta would be easily accessible by others.

GR11-13 (C) ND Natural Resources Trust/Dunn County SCD: Bakken Development & Working Lands Program, \$2,170,000 – Project summary: The goals of the project are to 1.) create and enhance working agricultural lands and wildlife habitat near energy sites as well as throughout the broader landscape; 2.) create urban nature/interpretive sites, and 3.) coordinate and facilitate energy site reclamation where no current responsible party exists. Mr. Jesse Beckers gave a presentation. (A copy of the Power Point presentation is available in the Commission files.) He noted that these funds would be in the Bakken area. OHF funds would be used for developments outside of the Department of Mineral Resources (DMR) requirements.

Mr. Daryl Dukart with the Badlands Advisory Group and Dunn County Commissioner, noted that this project brings a lot of stakeholders together to make things happen. A significant number of acres that are covered in weeds could be reclaimed and have other uses.

In response to questions, Mr. Beckers stated the following:

- He does have a further budget breakdown regarding the \$450,000 expense.
- The trails in Watford City would be on developed property and city property.
- OHF funds would be used in situations where there is no 3rd party involved.

Mr. Lynn Helms, DMR Director, stated that the sites that have been identified are legacy oil & gas sites that would be appropriate for the reclamation fund. DMR's contribution would be to ensure that the wellsite and road are reclaimed and contamination is cleaned up. This would be an opportunity to cover the surrounding land and make it a larger recreation area. Otherwise, it takes years for the site to blend in to the rest of the landscape.

In response to a question, Mr. Helms said that it wouldn't be a problem to add a contingency that OHF funds may not be used for reclamation of the well site.

In response to questions, Mr. Beckers stated:

- There is a budget breakdown regarding the \$450,000 for trails available.
- The pollinator gardens will include plugs and mixture seeding. It will be a natural landscape.
- Pollinating shrubs will be used in the hummingbird garden.
- The \$50,000 best management practice would involve a 3-4 year incentive payment.
- Fencing is part of this, but it is also part of a larger project.
- The funds from DMR are being used for a required use, but it would be leveraged to cover a larger landscape.
- Part of the land for the trails is on private property, but the city owns a right-of-way for the trails.

Mr. Helms noted that instead of hiring their own contractors, they would be working with the partners' contractors. This is a very different approach from the past.

GR11-05 (C) Audubon Dakota: Stutsman County Prairie Management Toolbox, \$943,489 – Project summary: Mr. Marshall Johnson and Mr. Dustin Krueger gave a presentation. (A copy of the Power Point presentation is available in Commission files.)

Mr. Dustin Krueger, Watershed Coordinator for Stutsman County, noted that EQIP guidelines will be followed in all fencing and water projects.

In response to questions, Mr. Johnson stated the following:

- Half of the lake shore is private property. The majority of the land in which projects will take place is private landowners. The remaining portion of the project is Audubon Dakota's property, which will be grazed by a private rancher.
- Audubon Dakota will pay 40% of the improvements on their land.
- The perimeter and boundary fencing will be a mix with the majority being boundary fencing. The projects have not been selected so there may be some changes.
- \$213/acre came from SCD office, local Arrow Wood Wildlife Management coordinator and brought together an average cost around that.
- The cattle guards are required in Rose Townships on section lines.
- Costs above NRCS standards will be offset by Audubon Dakota.
- Audubon Dakota property is open to hunting and hiking.
- Private landowners are encouraged to participate in PLOTS.
- Approximately 30% participate in PLOTS in Grand Forks currently, this number is expected to increase.
- If perimeter fencing is excluded, it would make it very difficult for landowners.

GR11-02 (C) National Wild Turkey Federation: NWTF Northern Plains Riparian Restoration Initiative, \$45,000 – Project summary: Estimate 9 riparian restoration projects on 2,700 acres. Roger Collins gave a presentation. (A copy of the Power Point presentation is available in Commission files.)

In response to questions, Mr. Collins stated the following:

- Specific locations cannot be identified until the RFP process has been completed. On average, they get 3-5 very good, qualified applications per year.
- OHF would be a small partner in this project. NWTF would contribute \$15,000.
- Project partners would include EQIP, PLOTS, and private landowners.

At 10:05 a.m. the Board took a break and reconvened at 10:25 a.m.

GR11-17 (C) ND Natural Resources Trust: Dakota Skipper Habitat Enhancement Project, \$897,250 – Project summary: Protect, enhance and restore Dakota Skipper habitat within and near the DAPL corridor. Mr. David Dewald, North Dakota Wildlife Federation, gave a presentation (A copy of the Power Point presentation is available in Commission files.)

In response to questions, Mr. Dewald stated the following:

- This should make development of oil, gas, coal, etc. easier. The more Skippers that we have, the less regulations that are needed.
- Two projects are located in McKenzie County and are designated as critical habitat areas.
- The Dakota Access commitment is to be used within Dakota Skipper habitat in certain counties. (Williams, Mountrail, McKenzie, Dunn, Mercer, Morton, Emmons counties)
- If required, they would limit funds to Dunn & McKenzie counties. ND Wildlife Federation's funds are also limited to those counties.
- Dakota Access provided a voluntary donation based on a recommendation from the U.S. Fish and Wildlife Service.

- The type of fencing will depend on landowners. The expectation is that the majority of boundary fencing will already be in place. Excluding boundary fencing would not be a major detriment to the project.

GR11-14 (C) Cass County SCD: Cass County Windbreak & Wildlife Planting Initiative, \$50,000 – Project summary: Provide financial assistance to establish windbreak, wildlife & riparian tree plantings. Mr. Eric Dahl gave a presentation. (A copy of the Power Point presentation is available in Commission files.)

In response to questions, Mr. Dahl stated the following:

- Cass County SCD has used the Statewide Initiative in the past. The staff is in the field and it is difficult to coordinate with the application deadlines. The 60/40 split is not enough incentive for landowners.
- The length of the contract is 5 years. This could be lengthened.

GR11-18 (B) Wells County SCD: Middle Sheyenne River Watershed Project, \$54,816 – Project summary: Improve Sheyenne watershed through two grazing management plans and one field windbreak planting. Mr. Dave Frison gave a presentation. (A copy of the Power Point presentation is available in Commission files.) He noted that one landowner has backed out of the project. The budget has been revised with a requested amount of \$38,040 accordingly.

In response to questions, Mr. Frison stated the following:

- The Grazing Management #2 described in the application is being cancelled.
- The 24,867 feet of boundary fencing is included in the project area.

GR11-06 (B) Steele County WRD: Lake Tobiason Improvements, \$109,200 – Project summary: Replace the inlet pipe and diversion structure, along with 4 outlet pipes. Mr. Lyndon Pease gave a presentation. (A copy of the Power Point presentation is available in Commission files.)

In response to questions, he stated the following:

- The structure of the dam is a township road. Technically, the county would be responsible for a portion of the costs.
- The match is \$53,000. The county does support the project, but will have difficulties providing funding.
- The lake is 45-50 acres.
- The area around the lake is owned privately, but there is a public access point.
- A local landowner removed the rock structure.
- The maximum depth of the lake is 35 feet.
- The lake would not need to be drained in order to complete the repairs.
- The culverts would need to go through the road. Five culverts would be replaced.
- They would prefer to do concrete culverts instead of metal pipe, but will bid it out both ways.
- The rock diversion was on private property. An easement would be put on the land in the future.
- The landowner does not own the river. It is not a navigable river, so he technically owns the land underneath the creek. It comes back to a permitting issue. The Water Board is trying to act in good faith with all the landowners.
- The easement has not been acquired from the landowner. The support of the landowner is unclear.

Mr. Steinwand stated that Lake Tobiason is on the inactive list. They haven't stocked it for a number of years.

GR11-07 (B) North McHenry SCD: McHenry County Conservation Program, \$250,000 – Project summary: Assist with the installations of 20-25 grazing systems and complete 3-5 grass plantings, impacting a total of 12,000 acres. Mr. Denver Goodman gave a presentation.

In response to questions, he stated the following:

- Public hunting would be encouraged. PLOTS would be encouraged but not required.
- The soil health would improve which would improve habitat for wildlife.

GR11-08 (B) Walsh County WRD: Walsh County Drain 22 Outlet Stabilization Project, \$80,365.70 – Project summary: Stabilization of the outlet of Drain 22 into the Red River. Mr. Zach Herman gave a presentation. (A copy of the Power Point presentation is available in Commission files.)

In response to questions, Mr. Herman stated the following:

- Without the project, the erosion will continue to happen at those two outlets.
- This project itself will not increase the amount of water to the river, it will only reduce erosion.
- The amount of drains on the Red River is unknown.
- It is unclear why riprap was not installed. This was established a number of years ago.
- When the county approves a legal drain, a tax district is set up for maintenance. The district reformed the assessment to go through the entire system. This is being added to the current system. Moving forward, this system will have the authority to maintain it.
- It appears that they added a legal drain with no outlet.

GR11-16 (B) ND Natural Resources Trust: Working Grassland Partnership Phase III, \$396,850 – Project summary: This will extend the WGP to cover an additional 28 counties, thereby including the whole state in cost share for best management practices. Ms. Kathy Kirschman gave a presentation. (A copy of the Power Point presentation is available in Commission files.) She introduced Mr. Jerry Doan, a local producer, and Tanner Gue, Ducks Unlimited, as partners in support of the project.

In response to questions, Ms. Kirschman stated:

- Approximately 25%-40% of the participating acres enroll in PLOTS. This number will be increasing.
- New boundary fences will be allowed.
- Lease payments play a key role in incentivizing participation. Repurposing lease payments for boundary fencing would limit the effectiveness of the program.
- The lease payment doesn't drive the decision to participate but it does play a role. There are no other programs that provide cost share for perimeter fence. This is the only program that can help a landowner bring expired CRP acres back into production.
- The lease payment is upfront and helps landowner cover costs of fencing and water projects until reimbursement is received.

In response to questions, Mr. Gue stated that cattle are a great tool in revitalizing CRP. This project addresses that by adding cross fences, increasing stock densities as well as rest recovery periods on grassland. This is the only program that provides cost share for perimeter fencing.

At 11:56 a.m. the Board took a lunch break and reconvened at 12:30 p.m.

GR11-09 (D) Jamestown Park & Recreational Foundation: Public Accessible Sensory Garden, \$33,000 – Project summary: Create an accessible sensory garden including trees, plants, kiosk, crushed concrete pad, walking path, water feature, and seating areas. Ms. Paulette Ritter, Ms. Mary Ritter, and Ms. Joan Morris gave a presentation. (A copy of the Power Point presentation is available in Commission files.)

In response to questions, they stated the following:

- Medium planters and larger planters are still available for naming rights. The rest have been sold out, showing good community engagement.
- The fountain is in phase II. Water features provide sight and sound needs. The fountain is required because the site does not have a natural water feature. It will be circulating. Park and Rec will maintain the water feature. It will be rectangular, it is a water wall approximately 6 ft. tall and 4 ft. wide.
- No one has volunteered to pay for the fountain as a naming right.

GR11-03 (D) Izaak Walton League St. John Chapter #1: Picnic Shelter and Camp Kitchen/Boat Docking Area & Beach, \$18,406 – Project summary: Picnic shelter with small kitchen area, new docking system, clean up shoreline and added sand for beach on Lake Upsilon. Ms. Kay Haas gave a presentation.

GR11-21 (D) Riding for Dreams Equine Assisted Activities & Therapies: Riding for Dreams Riding & Hiking Trail, \$10,000 – Project summary: Create a 1/2 mile sensory trail for walking and riding horse. Ms. Laurie Bischoff and Ms. Stacey Erdman gave a presentation. (A copy of the Power Point presentation is available in Commission files.)

In response to questions, they stated the following:

- The trail would be accessible to everyone. Dogs would not be allowed during class. There will be set hours for the public.
- A ramp system and other adaptive equipment is utilized for individuals in wheel chairs. The capabilities of the rider determine the number of people that provide assistance.

GR11-15 (D) Voices for Lake Oahe (VFLO): Cattail Bay Fish Cleaning Station, \$22,237.50 – Project summary: New fish cleaning station. Doug Vanderden, Tony Splonskowski gave a presentation. (A copy of the Power Point presentation is available in Commission files.) They noted that the Corps has agreed to the project; they haven't determined a location yet. An archeological survey will be required. The Corps has no funding for this project. They could possibly prepare the site.

In response to questions, they stated the following:

- This does not include a fish grinder at this time.
- The Corps will be responsible for waste removal. They will pay for maintenance and utility expenses.
- VFLO does not have a Comprehensive Conservation Plan, but it does have a list of improvements that they would like to see done.
- The old fish cleaning station will be taken down and utilized elsewhere.

GR11-04 (D) Pembina Gorge Foundation: Expanded Recreation Project - Mountain Bike Terrain Park on Frost Fire Park Ski & Snowboard Mountain - New Chair Lift Request, \$1,307,168 – Project summary: Purchase and install a new chairlift at the Frost Fire Park. Ms. Kristi Wilfarht and Ms. Dawn Keely gave a presentation. (A copy of the Power Point presentation is available in Commission files.)

GR11-12 (D) Hankinson Park District: Baseball Field Project, \$197,920 – Project summary: New baseball field in Hankinson. No presentation was given; however, a handout was provided. (A copy of the handout is available in Commission files.)

GR11-11 (C) American Bird Conservancy: Birds, Herds, & Stewards Phase II: Sustainable Working Lands for the Future, \$11,902 – Project summary: Native seeding and fencing practices not funded by USDA programs. No presentation was given.

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

Mr. David Streyle with North American Coal made comments on behalf of the Lignite Energy Council. He noted that N.D.C.C. § 54-17.8-03.2c prohibits using OHF funds for any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development. Leases within Morton County and Mercer County are currently in place for lignite. North American Coal requested that Morton and Mercer counties to be removed from the project.

Mr. Brad Erickson from North American Coal stated that they currently have surface leases in Morton and Mercer counties to mine the coal and use it for other purposes including conveyor systems, railroad tracks, power and communication lines, etc. next to or over the pipeline. Currently, there is not any mining through the pipeline, but in the future an agreement to move the pipeline could be made. If the pipeline is moved through the habitat, it could create additional problems.

In response to a question, Mr. Streyle stated that they are trying to prevent conflicts because surface disruption may occur where habitat would have been created through this project. The PSC may determine that those activities shouldn't take place because it would disrupt the habitat. While the organization currently has permits in place, the permits are approved on a five year basis. Creating habitat could create permitting issues in the future.

In response to a question, Mr. Streyle stated that if there were areas restricted that were broad enough, it would be okay to just restrict certain areas. The Lignite Energy Council does not have a problem with the project, they have concerns about the project location. They could reclaim additional areas; however, it should not be the industry's obligation.

Mr. Melchior stated that he believes the law was written in this manner in order to avoid increased liabilities for mining and other industries.

Mr. Streyle stated that the intent was to not create more burdens for energy development, but rather to allow for conservation development where it makes sense.

Ms. Godfreed noted that Morton and Mercer counties are not prime Skipper habitat. She noted that we will lose significant flexibility if it moves to the endangered list.

Mr. Streyle stated that they do not have an issue with the project as a whole, they have an issue with the project being located in Morton and Mercer counties. If those two counties were removed from the project, North American Coal would not have an issue with it moving forward.

Ms. Godfreed stated that she didn't think it would be detrimental to the project to remove those two counties from the project.

Mr. Kuylen noted that US Fish and Wildlife originally were not going to allow cattle to graze land ranchers owned because it included Dakota Skipper habitat. This could become an issue for oil companies as well. He noted that habitat improvement is not being done on federal land at federal expense.

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

Mr. Steinwand provided a summary of PLOTS acres enrolled or enhanced via OHF grants as of May 2018. He noted that currently only approximately 63,000 acres of PLOTS contracts that can be attributed

to the Outdoor Heritage Fund. That number is based on OHF awards through part of Grant Round 10. Approximately 27,000 acres of the Working Grassland Partnership projects are accessing PLOTS. However, this does not include all of Phase II of the project. He does expect this number to increase with the completion of Phase II.

There was general discussion by the OHF Advisory Board on the Grant Round 11 application as follows:

GR11-19 (D) ND Parks and Recreation Dept.: Sheyenne River Water Trail Development, \$8,700 –
Comments included:

- This provides a lot of bang for the buck.
- The project is very unique. Trails are what people in ND want.
- Like the project but have concern about what some of the funds would be used for. Would like to shift the budget slightly.
- This shows a proof of concept that other groups would like to do.

GR11-01 (D) Morton County Parks: Graner Park Bank Stabilization Phase 2, \$104,033 - No comments.

GR11-10 (D) Bismarck Parks and Rec: Atkinson Nature Park Improvements, \$21,830 – Comments included:

- Bismarck Parks and Rec was complimented for meeting with the horse group and finding solutions to concerns.
- This is a diverse bottomland habitat. It is so close to Bismarck; it will be accessible to many.
- This goes beyond invasive species by having a well thought plan for native tree species and restoration after the flood.

GR11-20 (D) Audubon Dakota: Urban Woods and Prairies Initiative Expansion, \$545,550 –
Comments included:

- There are some travel and administration fees in the budget, which should be excluded from the budget.
- The seeding and fencing costs are high.
- This is a proactive approach for flood recovery to make places usable for residents and create habitat for wildlife.
- A contingency prohibiting use of funds for administration expenses would eliminate the problem.

GR11-13 (C) ND Natural Resources Trust/Dunn County SCD: Bakken Development & Working Lands Program, \$2,170,000 - Comments included:

- I have concern about the large amounts going to project design and construction (\$450,000), energy site reclamation (\$350,000.) These are just lump sums without a lot of detail as to where the dollars are actually going. They show \$50,000 for grassland incentive payments. We've avoided incentive payments from OHF dollars.
- It is a lot of money with a lot of partners working together in an area where OHF funds are generated. If we're asking people to do something to benefit the public, they should be compensated for it.
- They're taking land away from production and the incentive would be for a short time to establish the grass.
- I think they provided lump sums because they will be working with so many sites. It is nice to see so many partners working together.
- There is a lot of need out there. The need for reclamation is because of developers that left. The oil and gas industry is why we have the OHF money in the first place.

- Agree, there is a need and the landscape reflects it. This fund should not be used for reclamation. Mr. Helms clarified that OHF money would be used to enhance the sites, not reclaim them. I think we should stipulate that the funds cannot be used for reclamation.
- This is a new way for agencies to work together, and may be a good model for the future.

GR11-05 (C) Audubon Dakota: Stutsman County Prairie Management Toolbox, \$943,489 -
Comments included:

- Perimeter fencing was a concern for many. However, I tend to favor perimeter fencing when it means the difference between grassland or cropland. I'd like to see this funded fully.
- The rate for the fencing is too high. It is well above the NRCS standards. Barbed wire multi-strand on a per foot basis is valued at \$1.31. That includes supplies and labor. I think we need to adjust the budget to be more in line with NRCS and EQIP.
- The applicant indicated that they would be willing to follow NRCS standards.
- The seeding cost seems very high. What is the NRCS standard?
- NRCS standards for native standard is \$250.59, wildlife pollinator multispecies is \$247.28. That includes seeding, labor, everything.
- I don't think we should entertain applications that come in that much over NRCS standards.
- Maybe it should be on our application. Then we wouldn't need to worry about it every time.
- The previous application from Dakota Audubon also had high numbers compared to NRCS standards.
- To establish NRCS rates, they randomly collect receipts from the Northern Plains region and take an average based on the location with an economist making adjustments. Sometimes the NRCS rates are slightly different from 319 rates set by the State Health Dept.
- The rates are normally consistent statewide.
- The applicant might have more varieties included which would drive up costs. We might not want to limit applicants to a certain number of varieties.
- It can vary based on soil and percentage of pollinators, and the number of native grasses in the mix.
- It seems that there is more variability in the labor expenses than the seed costs.
- It was noted that at the time of application, the costs were estimates. Applicants can't go over that number, but oftentimes may come in under.

GR11-02 (C) National Wild Turkey Federation: NWTF Northern Plains Riparian Restoration Initiative, \$45,000 – Comments included:

- Game & Fish has partnered with them for years on similar projects. This is a good project.

GR11-17 (C) ND Natural Resources Trust: Dakota Skipper Habitat Enhancement Project, \$897,250 - Comments included:

- I have concerns about the Endangered Species Act in general. How do we know that it is really threatened? We don't get credit for good management practices. If we spend this much money on habitat for the Dakota Skipper, we are acknowledging a problem that we may not have.
- Better grassland benefits the cows and provides a better return. The two counties that the LRC is concerned about can easily be removed from the project. The Dakota Skipper is not the only one that will benefit.
- This would be endorsing an issue if we fund this project.
- A change in policy requires requests for species to be on the endangered species list to be run through the state. I don't think this says that this is a problem, I think it says that we're doing everything we can to prevent this from being on the Endangered Species List.
- This should be done on public land where it won't interfere with future development.

GR11-14 (C) Cass County SCD: Cass County Windbreak & Wildlife Planting Initiative, \$50,000 -
Comments included:

- We funded a statewide initiative. Until we expend the money we've allotted for the statewide program, we shouldn't fund more.
- We could have a mix of both local and statewide approaches. They haven't applied very often and have a different cost share. We will use all of our money, there is a huge demand.
- We could require them to have a 60/40 cost share.
- The more trees we can get in the ground, the better.
- A statewide approach provides a uniform cost share rate, a consistent mechanism for delivering funds, etc.
- The State Association of Soil Conservation Districts does intend to apply for new funds once the funds for the statewide initiative are spent. However, if the strategy is to allow each SCD to apply on their own, then maybe not. Encourage block plantings, but also need to work with landowner desires.

GR11-18 (B) Wells County SCD: Middle Sheyenne River Watershed Project, \$54,816 - A revised budget was made available to the members.

GR11-06 (B) Steele County WRD: Lake Tobiason Improvements, \$109,200 – Comments included:

- This is a small lake and is not the best fishing lake.
- I question the depth of the lake.
- No commitment from the county is an issue. This is a county road, they should get funding from the county and come back.

GR11-07 (B) North McHenry SCD: McHenry County Conservation Program, \$250,000 - Comments included:

- Submersible pumps can be removed and would be property, which we don't fund.

GR11-08 (B) Walsh County WRD: Walsh County Drain 22 Outlet Stabilization Project, \$80,365.70 - Comments included:

- Concern regarding construction administration and contingencies.
- This is a county authorized drain that is assessed.
- There is not a conservation component to this project. This is maintenance.

GR11-16 (B) ND Natural Resources Trust: Working Grassland Partnership Phase III, \$396,850 - Comments included:

- It appears that a fair amount of these lands are going into PLOTS.

GR11-09 (D) Jamestown Park & Recreational Foundation: Public Accessible Sensory Garden, \$33,000 - No comments.

GR11-03 (D) Izaak Walton League St. John Chapter #1: Picnic Shelter and Camp Kitchen/Boat Docking Area & Beach, \$18,406 - Comments included:

- This is private property that can be rented out.
- It has a building in the project without a comprehensive plan.
- Game and Fish would likely not fund a request because it is private property.

GR11-21 (D) Riding for Dreams Equine Assisted Activities & Therapies: Riding for Dreams Riding & Hiking Trail, \$10,000 - No comments.

GR11-15 (D) Voices for Lake Oahe: Cattail Bay Fish Cleaning Station, \$22,237.50 - Comments included:

- This is a good project, but it does count as a building.
- The shelter could be excluded.
- Would like to see the project include a grinder.
- It does cost more money for the holding tank, and the wells fill up.
- They will need permits to dig.
- Game and Fish has given verbal agreement for a table.

GR11-04 (D) Pembina Gorge Foundation: Expanded Recreation Project - Mountain Bike Terrain Park on Frost Fire Park Ski & Snowboard Mountain - New Chair Lift Request, \$1,307,168 -
Comments included:

- Pembina Gorge is a great place, but it does not meet any of the directives.
- There is not a conservation component.
- Agree that there is not a conservation component, but this is important to that corridor of the state.
- It is a nice project, but it is a struggle to find the conservation.
- The conservation component depends on the scale with which it is viewed. If you look at the larger project, it will meet the requirements. It is the hub of the Pembina Gorge trail system. This is one piece of a larger conservation project.
- From a technical standpoint, it does meet directive D. There's public access. It benefits many people. There are far more positives than negatives.
- It is difficult to see a conservation component to this. Access to the public at \$30-\$40 a ticket is tricky.
- They received \$500,000 from the Community Development Block Grant fund in 2017.
- The type of recreation that is being developed in this project is part of the Parks and Recreation State Comprehensive Outdoor Recreation Plan and also is a key component of the Pembina Gorge Recreation Area Plan.

GR11-12 (D) Hankinson Park District: Baseball Field Project, \$197,920 - No discussion.

GR11-11 (C) American Bird Conservancy: Birds, Herds, & Stewards Phase II: Sustainable Working Lands for the Future, \$11,902 - Comments included:

- Much of this is administrative costs, which would not be eligible.

Chairman Melchior asked the voting Board members to complete their scoring sheets and turn them in to Ms. Fine and Ms. Pfennig.

Ms. Fine noted Mr. Bina had a conflict of interest on GR11-10 – Atkinson Nature Park Improvements.

The summary of the scoring was distributed and Chairman Melchior asked each member to check their numbers to make sure they were correct. Mr. DeMorrett, Mr. Bina, and Chairman Melchior had corrections.

Chairman Melchior listed the 7 projects (Projects 3, 6, 8 11, 12, 15, and 17) that had received six or more zeros for funding.

It was moved by Mr. Moser and seconded by Mr. Bina that the following applications not be recommended to the Industrial Commission for Grant Round 11 funding:

GR11-03 (D) Izaak Walton League St. John Chapter #1: Picnic Shelter and Camp Kitchen/Boat Docking Area & Beach, \$18,406

GR11-06 (B) Steele County WRD: Lake Tobiason Improvements, \$109,200

GR11-08 (B) Walsh County WRD: Walsh County Drain 22 Outlet Stabilization Project, \$80,365.70

GR11-11 (C) American Bird Conservancy: Birds, Herds, & Stewards Phase II: Sustainable Working Lands for the Future, \$11,902

GR11-12 (D) Hankinson Park District: Baseball Field Project, \$197,920

GR11-15 (D) Voices for Lake Oahe: Cattail Bay Fish Cleaning Station, \$22,237.50

GR11-17 (C) ND Natural Resources Trust: Dakota Skipper Habitat Enhancement Project, \$897,250

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. Bina that Sheyenne River Water Trail Development submitted by ND Parks and Recreation Dept. be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$8,700 (Application GR11-19).

Mr. Moser asked for clarification on what is being provided for in the maps and information category. He suggested that we pay for more of the trailhead or other 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 motion carried unanimously.

It was moved by Mr. Bina and seconded by Mr. Kuylen that Graner Park Bank Stabilization Phase 2 submitted by Morton County Parks be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$104,033 (Application GR11-01). 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 Atkinson Nature Park Improvements submitted by Bismarck Parks and Recreation District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$21,830 (Application GR11-10). 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 Mr. Moser and seconded by Mr. Kuylen that Urban Woods and Prairies Initiative Expansion submitted by Audubon Dakota be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$530,000, with the contingency that no OHF funds are used for administrative costs (Application GR11-20). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, and Stockdill voted yes, and Reierson voted nay. The motion carried.

It was moved by Mr. DeMorrett and seconded by Ms. Stockdill that Bakken Development & Working Lands Program submitted by ND Natural Resources Trust/Dunn County SCD be recommended to the Industrial Commission for funding in the amount of \$2,170,000 (Application GR11-13).

It was moved by Mr. Kuylen and seconded by Mr. Hutchens to amend the motion to stipulate that OHF funds not be used for site reclamation purposes. 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. DeMorrett and seconded by Ms. Stockdill that Bakken Development & Working Lands Program submitted by ND Natural Resources Trust/Dunn County SCD be recommended to the Industrial Commission for funding in the amount of \$2,170,000 (Application

GR11-13) with the condition that OHF funds not be used for site reclamation purposes. On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Reiersen, and Stockdill voted yes, and Moser voted nay. The motion carried.

It was moved by Mr. Hutchens and seconded by Ms. Godfread that Stutsman County Prairie Management Toolbox submitted by Audubon Dakota be recommended to the Industrial Commission for funding in the amount of \$943,489 (Application GR11-05).

It was noted that costs for seeding exceeded the NRCS guidelines. Also the majority of the fencing in the project was going to be a perimeter fence. Perimeter fencing will make or break many of the projects. Dr. Hutchens stated that he would like to see that portion of the project left intact. This project includes costs that far exceed NRCS guidelines for fencing. Should we fund this fully?

It was noted that there would be discussion later on in the meeting regarding the application form being changed to address the amount allowed for fencing, seeding, etc. costs. Should funding be awarded for projects where costs exceed NRCS guidelines?

In regards to this grant round, it was pointed out that there were other applications that were above the standard as well. We need to be consistent for this grant round.

It was moved by Mr. Moser and seconded by Mr. Lies to amend the motion to stipulate that cost share guidelines be consistent with NRCS cost guidelines.

Clarification was requested regarding what is meant by consistency. Is it referring to the price structure? It was stated that it was intended that the cost share rate and what we would fund be consistent. In a previous round, an application was denied because the fencing was exorbitant. This application has \$1.80 for the fence and \$2 per foot to construct it. NRCS is \$1.31 per foot for the whole thing. This needs to be addressed. This wasn't based on a bid; it was a budget estimate. We need more clarity in the application, but we also need to be consistent until we have written guidelines for applicants to follow. If the costs are under budget, the funds will be returned.

It was pointed out that in the prior application the applicant stated they would adhere to NRCS guidelines. This application does not do that and this motion would be consistent with what was approved on the previous application.

On a roll call vote, DeMorrett, Dokken, Elkin, Kuylen, Lies, Moser, voted yes, and Bina, Godfread, Hutchens, Melchior, Reiersen, and Stockdill voted nay. The motion failed for lack of majority.

It was moved by Mr. Lies and seconded by Mr. DeMorrett to amend the motion to limit the award to \$700,000. On a roll call vote, DeMorrett, Dokken, Elkin, Kuylen, Lies, and Moser voted yes, and Bina, Godfread, Hutchens, Melchior, Reiersen, and Stockdill voted nay. The motion failed for lack of majority.

On a roll call vote of the original motion, Bina, Dokken, Godfread, Hutchens, Melchior, Reiersen, and Stockdill voted yes and DeMorrett, Elkin, Kuylen, Lies, and Moser voted nay. The motion carried.

It was moved by Mr. Kuylen and seconded by Mr. Elkin that NWTF Northern Plains Riparian Restoration Initiative, submitted by National Wild Turkey Federation be recommended to the Industrial Commission for funding in the amount of \$45,000 (Application GR11-02). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Moser, Reiersen, and Stockdill voted yes and Lies and Melchior voted nay. The motion carried.

It was moved by Mr. Bina and seconded by Mr. Kuylen that Cass County Windbreak & Wildlife Planting Initiative, submitted by Cass County Soil Conservation District be recommended to the Industrial Commission for funding in the amount of \$50,000 (Application GR11-14).

It was noted that because the OHF has already funded a statewide program, this could be viewed as working against our own program as well as setting a precedent. If the Statewide Initiative would like to adjust the percentages, that can be adjusted at a future meeting. Having every other soil conservation district (SCD) apply individually is much less effective than having a statewide effort.

There was agreement that the statewide effort is a good program. This is supported by the fact that they are going to utilize all of the funds awarded. This is an area of the state that is deeply in need of this type of project, and a low amount of funds. If we see several applications from separate SCDs, it could be addressed at a future date.

Consistency is a concern. The statewide program offers a consistent cost share and delivery mechanism. We don't allow 319 funds to offset the 40% match, why should this be different by allowing the SCDs to offset the landowner match.

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

It was moved by Mr. Kuylen and seconded by Mr. Dokken that Middle Sheyenne River Watershed Project, submitted by Wells County Soil Conservation District be recommended to the Industrial Commission for funding in the amount of \$38,040 (Application GR11-18). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Moser, Melchior, Reiersen, and Stockdill voted yes and Lies voted nay. The motion carried.

It was moved by Ms. Godfread and seconded by Mr. Elkin that McHenry County Conservation Program, submitted by North McHenry Soil Conservation District be recommended to the Industrial Commission for funding in the amount of \$250,000 (Application GR11-07). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Melchior, Moser, Reiersen and Stockdill voted yes, no one voted nay. The motion carried unanimously.

It was moved by Mr. Kuylen and seconded by Ms. Stockdill that Working Grassland Partnership Phase III, submitted by ND Natural Resources Trust be recommended to the Industrial Commission for funding in the amount of \$396,850 (Application GR11-16). On a roll call vote, Bina, DeMorrett, Elkin, Godfread, Hutchens, Kuylen, Melchior, Reiersen, and Stockdill voted yes and Dokken, Lies, and Moser voted nay. The motion carried.

It was moved by Mr. Bina and seconded by Mr. Hutchens that Public Accessible Sensory Garden, submitted by Jamestown Park & Recreational Foundation be recommended to the Industrial Commission for funding in the amount of \$33,000 (Application GR11-09). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Reiersen, and Stockdill voted yes and Moser and Melchior voted nay. The motion carried.

It was moved by Mr. Kuylen and seconded by Mr. Moser that Riding for Dreams Riding & Hiking Trail, submitted by Riding for Dreams Equine Assisted Activities & Therapies be recommended to the Industrial Commission for funding in the amount of \$10,000 (Application GR11-21). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Godfread, Hutchens, Kuylen, Lies, Moser, Melchior, and Stockdill voted yes and Reiersen voted nay. The motion carried.

It was moved by Mr. Kuylen and seconded by Mr. Elkin that Expanded Recreation Project - Mountain Bike Terrain Park on Frost Fire Park Ski & Snowboard Mountain - New Chair Lift

Request, submitted by Pembina Gorge Foundation be recommended to the Industrial Commission for funding in the amount of \$1,307,168 (Application GR11-04).

There was discussion with some individuals indicating their discomfort with funding this at the full level. Some felt that this did not meet any of the directives and struggled to find the conservation component. If the entire project was being considered with a comprehensive plan, there would most likely be pieces of the project that would be a better fit and more geared towards conservation.

Comments included the following:

- It is difficult to find a directive that this fits. This is clearing forest, installing a major piece of equipment, and charging people a fee to utilize it. This application does not clearly explain how it will conserve natural areas for recreation. This is not a parks and rec board. We aren't developing recreation in North Dakota. If we fund this, why not softball fields, pools, etc. All of those things are outside. It's a great project that is great for the development of North Dakota; it just doesn't fit the Outdoor Heritage Fund.
- There are other things they are doing that will fit better with this program. There could be other avenues to pursue for this piece of their project.
- This could be viewed the same way as athletic fields. The difference is that baseball fields are free with open access. This charges a fee. This is a great business for the community and belongs in the business world. We should not spend state tax dollars on this if we won't spend money on a baseball field.
- It's a stretch for me. This isn't open to the public.
- I like this program. Mountain bike trails are a new trend. You won't be able to ride bike by deer and elk on a softball diamond. Softball diamonds aren't free either. You have to pay to get into softball tournament. You have to pay a fee to maintain the equipment. It's good for the area; it will attract people to North Dakota. There are a few things that might not fit, but we've done that before. We funded a building for the bowmen. We've done a playground. Recreation is different to everyone. This equipment can be used year round; it's not just for skiing.
- It isn't about what we like to do. Our obligation is to follow the law. The law says that it should be used for conservation. This does not conserve a natural area for recreation.

On a roll call vote, Bina, DeMorrett, Elkin, Godfread, Hutchens, and Kuylen voted yes, and Dokken, Lies, Melchior, Moser, Reiersen, and Stockdill voted nay. The motion failed for lack of majority.

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

Ms. Pfennig presented historical information regarding applications that were received for softball diamonds, athletic complexes, ice rinks, basketball courts that were not funded. She asked if the Board wants to consider funding these types of projects. If not, it may be beneficial to state that on the application to be clear for applicants.

She also noted that we received an application for \$500 this round. The applicant withdrew the application. She asked if the Board would like to set a minimum threshold for applications of \$2,500 moving forward. Historical information was provided regarding the request amounts for applications that have been received. Prior to the \$500 application, the lowest amount requested was \$3,000. Because of this, \$2,500 may be a good level that would not hinder applicants.

It was noted that during this grant round several applications were submitted with errors. They were given the opportunity to correct their application and resubmit. Some applications needed to make corrections 4 or 5 times, which was inefficient and made it difficult to maintain a schedule. She recommended only allowing applicants one opportunity to make revisions after the submission deadline.

Ms. Pfennig presented draft revisions to the following documents:

- Application Process Document,
- Review, Scoring, and Approval Process, and
- Application Form.

(A copy of the documents with the proposed changes is attached as Attachment A.)

She noted that a fillable pdf has been created for the application form as well. Her goal is to shift to the fillable pdf. In addition to the proposed changes, she suggested adding the following:

- Please list the counties that would be impacted by your project.
- Note: Costs for seeding, fencing, pipelines, wells, and cover crops cannot exceed NRCS Field Office Tech Guide without justification.

Ms. Fine noted that this would be a recommendation to the Industrial Commission regarding changes to the application since the application reflects the program's policies. The most significant of the proposed changes is the language regarding athletic complexes, basketball courts, softball diamonds, and ice rinks as well as the language stating that applications must request a minimum of \$2,500.

In discussion, it was noted that it would be good to be clearer regarding sports facilities. However, there was concern that something would be left out. Is there a more general term we can use? Will athletic complexes suffice? Sports fields may be a better term. Perhaps "indoor and outdoor sports fields, ice rinks, etc." It would be hard to cover everything. Skate parks could be considered a play area. It may be a good idea to add "indoor/outdoor athletic courts and sports fields." It still comes down to the Board having a discussion. It would be good to define it and be clear to applicants.

Chairman Melchior asked for input regarding funding limits for perimeter fencing and cross fencing vs. perimeter fencing. Do we want to fund them application by application or do we want standards on the application? It was noted that NRCS won't fund perimeter fencing, unless you have expiring CRP land or if you're bringing crop land into grazing land.

There was agreement that there needs to be consistency regarding fencing. When it comes to perimeter fence, we need to decide one way or another to be consistent. Applicants may model their application on a previously funded application only to be denied because we are not being consistent.

A guideline that requires applicants to follow NRCS standards with regard to fencing would be a good way to determine perimeter fencing. In the example today, the perimeter fencing was going around expired CRP and it would have qualified.

How do we determine if a project will move forward without funding for perimeter fencing? There was concern that applicants could be coached to state that their project will not go forward unless perimeter fencing is included. At some point, landowners should be responsible for improvements to their property.

Some felt that cross fencing was appropriate, but perimeter fencing needed to have a greater cost share than 60%. Clarification was requested regarding the NRCS standards.

Ms. Kelsch provided the following information:

Limitations & Clarifications

1. Boundary or property line fences may be eligible if expiring CRP lands provide new grazing land.
2. Land where production system is changed to grazed land.
3. Permanent single strand electric fencing is only eligible when used for cross fencing purposes.

4. Replacement of an existing fencing is not eligible except in the case of fences impacted by agricultural waste design.

Many felt that utilizing these guidelines could provide the clarification needed while also allowing flexibility. It was agreed that language should be put on the application. We can link to the NRCS website so that updates are automatic.

The next item discussed was requiring applications to request \$2,500 or more. It was noted that a small amount can have a big impact on a community. However, there are significant administrative costs associated with each application and subsequent contracts. The applicant also incurs expenses writing the application and traveling to Bismarck for the meeting. Perhaps we could not allow applications less than \$2,500 to give an oral presentation. Playground equipment is a type of project in which the \$2,500 threshold makes sense. Due to legislative requirements, a \$10,000 playground project would have a request of \$2,500.

It was noted that because there are significant expenses associated processing applications and contracts, it is important to be prudent with our resources.

It was moved by Mr. Kuylen and seconded by Mr. Moser that the following revisions to the following documents: Application Form, Application Process, and Review, Scoring, and Approval Process be recommended to the Industrial Commission. (A copy of the documents along with proposed revisions is included as Attachment A.) On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Godfreed, Hutchens, Kuylen, Lies, Melchior, Moser, Reiersen and Stockdill voted yes, no one voted nay. The motion carried unanimously.

Mr. Bina stated that we now gone through 11 grant rounds. He requested reconsideration of buildings and playgrounds. The definition of buildings excludes fish cleaning projects, restrooms, etc. We could put a cap on the portion that we would provide, but there are good conservation projects that would be greatly benefitted and utilized by the public if restrooms were available. There is also a great need for playgrounds.

In response to a question, Ms. Fine stated that the playground limitation is in statute and would require legislative changes. The limitation on buildings and the requirement of a Comprehensive Conservation Plan is in statute. However, the definition of a building was recommended by the Advisory Board and adopted by the Industrial Commission.

Mr. Bina suggested that if the Board is amenable, legislative changes could be sought.

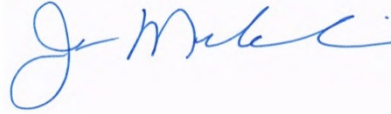
Ms. Pfennig provided a summary on the projects along with a density map of project locations. (A copy of the density map is available in Commission files.) Ms. Pfennig thanked Mr. Brock Wahl for providing the GIS formatting of the map. To date, \$32.4 million has been awarded with total project costs of over \$108 million. There have been 117 projects awarded funding. Of those, 54 are still active. Since the last meeting 7 projects submitted their final report. Saving the Minot Retrievers Club finished and had a returned commitment of \$51,000. North Dakota Parks & Recreation completed a project with a returned commitment of \$27,185. The Tolna Bay Boat Ramp project was also completed and returned. \$5,000. She reminded the Board that all project reports are available on the website.

In response to a question, Ms. Pfennig stated that OHF has funded activities in all 53 counties. She noted that statewide projects were not included on the density map.

In response to a question, Ms. Fine stated that October 1, 2018 is the next application deadline. We will try to have the meeting before the legislative session begins.

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

With no further business, Chairman Melchior adiourned the meeting at 5:34 p.m.



Jim Melchior, Chairman



Recording Secretary