

Minutes of a Meeting of the Outdoor Heritage Advisory Board
Held on August 27, 2018 at 9:30 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
Tom Hutchens, OHF Advisory Board
Bob Kuylen, 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 9:30 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.

Chairman Melchior noted that Carolyn Godfread was not able to attend.

No additions or deletions were made to the agenda.

It was moved by Dr. Hutchens and seconded by Mr. Dokken to approve the May 14, 2018 minutes as presented. The motion carried unanimously.

Ms. Fine provided a financial summary as follows.

Outdoor Heritage Fund (294)
Financial Report - Cash Balance
2017-2019 Biennium
August 27, 2018 OHF Advisory Board Meeting

	<u>Cash Balance</u>
July 1, 2017 Balance	\$26,787,635.95
Interest Revenue through June 30, 2018	\$ 23,435.62
Revenues through June 30, 2018	\$10,799,176.90
Grant Expenditures through June 30, 2018	\$ (3,219,799.69)
Administrative Expenditures through June 30, 2018	<u>\$ (94,344.86)</u>
	\$34,296,103.92
Outstanding Administrative Expenses	\$ (55,655.14)
Outstanding Project Commitments as of June 30, 2018	<u>\$(20,594,768.46)</u>

Balance

\$ 13,645,680.32

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 stated the only other income received for the biennium will be interest income. The total amount available for funding is \$13.6 million. Two grant rounds remain in this biennium.

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

12-08 (C) ND Resources Trust: Livestock & Wildlife Dams - Creation & Enhancement, \$138,850

Project Summary: Creation and enhancement of aquatic habitats of twelve separate wetlands covering approximately 78 acres. When functional, these wetlands will facilitate the enhancement of surrounding grassland habitat exceeding 4,000 acres. Mr. Rick Warhurst gave a presentation (A copy of the PowerPoint presentation is available in Commission files.) In response to questions, he stated:

- There are no dugouts as primary sources of water.
- Harmon Lake recreation area and Stark County land owned by G&F are the public entity land owners.
- Goal is to complete the work before four years.
- An engineer has not been selected and the issue of why dams failed will be addressed.
- The life of an earthen dam is 25-30 years and the weakness can be the primary structure.
- The sites on G&F lands will be new. The property was donated. G&F has had the land for one year. Grazing systems will be installed on the property.

12-07 (D) Bismarck Parks & Recreation District: Hay Creek Bank Stabilization, \$98,370.73

Project Summary: Stabilization of a portion of Hay Creek bank (restore riparian environment along the west bank and remove accumulated sediment along the eastern bank.) Mr. David Mayer and Mr. Michael Gunsch gave a presentation (A copy of the PowerPoint presentation is available in Commission files.) In response to questions, they stated the following:

- The housing development bank erosion issues have been addressed.

12-06 (D) Theodore Roosevelt Medora Foundation: Burning Hills Amphitheatre Incline Elevator, \$756,000

Project Summary: Install an incline elevator at the Amphitheatre for mobility impaired guests. Mr. Bill Sorenson gave a presentation. (A copy of the PowerPoint presentation is available in Commission files.)

12-03 (B) McLean County Water Resource Board (WRB): Painted Woods Lake Flood Damage Reduction Project, \$218,132.12

Project Summary: Construction of Phase 1 of a high flow channel on Painted Woods Lake and construction of wildlife enhancements. Mr. Lynn Oberg and Mr. Roger Clay gave a presentation. (A copy of the PowerPoint presentation is available in Commission files.) In response to questions, they stated the following:

- The project is being parceled out because Phase I provides immediate benefits. Land to the north is ready to be purchased by McLean County, but the landowner is not ready to sell. Still, 90% of the work can be completed by the WRD. Phase 2 involves the control weir structure built in 1980 which needs to be replaced for elevation management.
- Received commitment from Bureau of Reclamation to help pay for the control weir structure by providing 3,000 cubic yards of riprap.
- There are 305 square miles of water shed, so the goal is to direct water toward the east side of lake to avoid damage to both private and public areas.
- Burleigh County Water Resource District is not providing financial support, their financial resources are being used to maintain other issues.

12-11 (B) North Dakota Soil Recovery Program: Audubon Dakota, \$2,923,566

Project Summary: Incentive program impacting 100,000 acres over 4 years with the goal of improving soil health, forage quality, and wildlife habitat through implementation of rotational grazing. Mr. Marshall Johnson and Dr. Greg Lardy gave a presentation. (A copy of the PowerPoint presentation is available in Commission files.) In response to questions, they stated the following:

- Rotational grazing increases capacity which is an economic benefit to the land owner/grazer, but the return on investment is not upfront. The intent is to provide upfront costs for fencing and water systems and to move rotational grazing into multi paddock adaptive grazing which significantly increases labor.
- Idle lands do not degrade soils, but it does not enhance the soil. The Audubon Society encourages management through proper livestock grazing. Targets include both expired CRP and degraded native range on poor soils.
- If no EQIP funding is available, producers will move forward with projects by working with other partners such as Working Grasslands Partnership and Toolbox Project with other counties along with a cost share through Audubon Dakota.
- Both Audubon Dakota and North Dakota Extension will provide educational and technical assistance along with \$176,000 for cost sharing payments.
- A number of producers are interested in participating in the statewide soil recovery program. There is a two- three month open enrollment period. A total of 20,000 acres will be designated as crop land.
- The incentive payments will be made after the first year in the fall.
- The average payment per acre will be 30% of the local county rental rate average or approximately \$6 per acre.

The Board took a ten minute break and reconvened at 10:55am.

12-04 (B) Bowman-Slope SCD Grazing Conservation Program: Bowman-Slope SCD, \$112,354

Project Summary: Assist 3 producers with grazing BMP's including fencing, wells, pipelines, and tanks impacting 5,000 acres. Ms. Camie Jankowski gave a presentation. (A copy of the PowerPoint presentation is available in Commission files.) In response to a question, she stated the following:

- Through research by a local producer, electric fences work for bison because the fences serve as a guide to water.

12-12 (D) ND Outdoor Education & Events Barn at Alkali Lake: Audubon Dakota, \$125,154.50

Project Summary: Finish the interior and electrical work for a 3,000 sq. ft. meeting space to be used for educational purposes. Dr. Mike Bush, Ms. Jodi Meisch, Mr. Dewayne Heinrich, and Mr. Searle Swedlund gave a presentation. (A copy of the PowerPoint presentation is available in Commission files.)

12-01 (D) Valley City Tennis Courts: Valley City Parks & Rec, \$250,350

Project Summary: Reconstruction of 3 existing tennis courts. Mr. Tyler Jacobson gave a presentation. (A copy of the PowerPoint presentation is available in Commission files.) In response to questions, he stated the following:

- Partnership opportunities are limited and fundraising is difficult. The public school has other projects that are using the financial resources available. Funds are also limited with Valley City State University.

12-05 (D) Northern Plains Botanic Garden Edible Forest: Northern Plains Botanic Garden Society, \$33,601

Project Summary: Creation of edible forest, including trees, bushes, pollinator plots, walking path, and fencing. Mr. Vern Hunter, Mr. Jim Walla, Mr. Jim Hansen, and Ms. Randi Malarky gave a presentation. In response to questions, they stated the following:

- The fence is needed due to deer in the area and as a way to control the amount of traffic from people to the site.
- A backhoe will be rented for one day for the larger plants, but otherwise the work will be done with shovels.
- A plant package for the pollinator garden was put together by Prairie Restorations which is a range of legumes, grasses, and milkweeds.
- Prairie Restoration is out of Glyndon, Minnesota and are certified as weed free.
- Previously, the land use on this area was vacant land. There is both a long use and second phase plan for the edible forest.
- Currently, there is room for expansion within the area. Plants are arranged by varieties for side by side comparisons.
- There are two or three spaces open, and there are plans for those spaces. Planning was stopped at the point in order to preserve the quality of the project.
- The fence is primarily for deer and rabbits and will require an additional two feet of fencing on the bottom to address the rabbits.
- The project is located in north Fargo on 28th and University Avenue right across the street from Hector Airport. The neighboring communities will benefit and have given a lot of support for the project.

12-09 (D) Prairie to the People: United Prairie, \$38,978

Project Summary: Help 200 schools and 50 municipalities create low maintenance "pocket prairie" plots as well as restore a 2 acre prairie at Valley City State University. Pocket Prairie plots are small, low-

maintenance, highly diverse prairie sites in high traffic public spaces. Mr. John DeVries gave a presentation. (A copy of the PowerPoint presentation is available in Commission files.) In response to a question, he stated the following:

- Travel expenses include costs for the team to go to locations and plant the pocket prairie. There are school packet kits with both dirt and seeds that will be sent to 200 schools in ND for an in-class project. The labor expenses will cover staff planting costs.

12-14 (A) Maah Daah Hey North Unit Bypass: Save the Maah Daah Hey, \$30,000

Project Summary: Phase I of a project to construct a bypass of the north unit of TR National Park.

Activities include: Route identification, surveying & mapping, permitting, utility & pipeline location. Mr. Nick Ybarra gave a presentation. In response to questions, he stated the following:

- There are two options for the bypass which consist of a seven mile stretch and a 1.5 mile stretch. The goal is to make the bypass trail as close to the borders of the park to maintain existing sections.
- Permitting costs will consist of fees for special use permits and part of the bypass will be on US Forest Service land.
- Routing fees are for plotting and surveying on foot where the trail will lead.
- Utility and pipeline location fees are to ensure there is no digging of existing utility or pipelines.
- Construction maintenance would consist of digging with hand shovels.
- The private landowner wants a permanent lifetime easement for \$50,000 which is not included in this grant. The current grant is for planning, plotting, and surveying for routing to present to the landowner.
- For the private land, either the Forest Service or Save the Maah Daah Hey Non-Profit Organization will hold the easement.

Chairman Melchior recessed the meeting for lunch at 12:10. The meeting was reconvened at 12:40.

12-10 (D) Sky Chief Park Restroom Facilities Project: Turtle Mountain Band of Chippewa, \$53,437.50

Project Summary: Purchase and erect 3 community restroom facilities at Sky Chief Park. Mr. Les Thomas gave a presentation. In response to a question, he stated the following:

- Currently, there are portable toilets at the site, but the plan is to install permanent structures due to the increasing number of users.

12-13 (D) Ensuring Access for Sportsmen to ND's First Mountain Bike Terrain Course & Wildlife

Lookout Point: Pembina Gorge Foundation, \$865,000

Project Summary: Install a ski lift to provide access to the top of the mountain at Frost Fire for mountain bike trails, wildlife observation point, skiing and snowboarding. Ms. Kristi Wilfahrt and Ms. Dawn Keeley gave a presentation. (A copy of the PowerPoint presentation is available in Commission files.) In response to questions, they stated the following:

- The three pillars of recreation adopted by the National Recreation Park Association are health & wellness, social equity, and conservation.
- The wildlife observation point is flexible regarding the location and they are open to suggestions from the Game & Fish Department.
- There are four different types of mountain bike trails and 22 miles of flat downhill trails that are developed and managed by ND Parks and Recreation which charge a fee of \$7 for daily access or \$35 per year.
- Currently, bikers either walk or bike to the top of the trail, but the industry standard for downhill mountain bike courses is to have chairlifts.

- The four different type of mountain bike trails are cross country, downhill, observe trails, and freestyle. Numerous people have inquired about having trails for fat tire bikes.
- This project started after the application for the first grant. Footings have been poured for the chairlift and the towers are on location. Helicopters will fly the towers in within the next week and a half. The project should be finished by mid-October.
- Clarified that some construction has already started on chairlift.

12-02 (D) St. Mary's Park Basketball Court: Richardton Park Board, \$10,000

Project Summary: Build a full outdoor basketball court in the center of town. No presentation was given.

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

Mr. Brian Amundson, a rancher near Jamestown made comments on behalf of the ND Soil Recovery Program. The merit of the program is to provide an opportunity for producers to improve the value of owned land. Also, the work involves a unique set of entities which include private landowners, ranchers, wildlife organizations, and nonprofits. The entities involved have a common goal. There is a value and need for the program. He is a cow/calf rancher and manages five adaptive grazing systems which were implemented in 2010. Ranchers want to incorporate this into their process, but there is vulnerability. The status quo works, and you need to review the risks/rewards in changing operations. The program would reduce risk through assistance by educators and mentors. It has the potential to affect producers across the state. The project can improve erodible soil and bring idle CPR properties back to use. He highly supports the project and hopes the Board will find a favorable recommendation.

In response to a question, Mr. Amundson stated he is a member of the Stockmen's Association and was asked by Audubon Dakota to assess the program and determine if it had value for ranchers. The Stockmen's Association voted in favor of support for the program.

In response to a question, Mr. Amundson stated all projects are different and there is value in connecting individuals with people who have the same experiences. The systems are costly to run, but it enables soil recovery and property improvements; albeit gradual. The implementation requires more time, energy, and effort. On his five grazing systems, cattle are rotated every five to ten days and there are seven different herds. This requires being in the pastures between one to two times per day monitoring fence, water, livestock, grass, minerals and supplementation. There is an initial cost involved in the implementation of the project which is a concern for some producers. This is where the four year portion of the project adds value because it allows the producers time to educate themselves and defray costs. The 30% only covers a portion of the costs, but is needed to help implement the project.

Representative Dave Munson from District 10 and a member of the House Appropriations Committee made comments on behalf of the Pembina Gorge Foundation. The project is to replace a chairlift that is nearly 40 years old and unusable. A new chairlift would be utilized by skiers, bikers, and hikers and make it an all-season recreation area. The economic impact to the region is significant. Nearly all of ND's native forest is located in the Pembina Gorge and the Turtle Mountains. The ski resort would provide jobs for neighboring farmers in the winter time which is not happening anymore. This is a huge recreational area for sportsmen. He was able to secure funding five years ago for the master plan. He is aware of the legislative intent even though there is no direct work with the OHF and believes this project meets all the criteria. Funding for this project is vital and both conservation and economic development will be continued through the ongoing success of this project.

Senator Janne Myrdal from District 10 stated she is a former founding member of the Pembina Gorge Foundation. The members determined a private foundation was the most optimum way to manage the park. She is a member of a birding group and the Red River Valley is the central fly zone for bird migration. Each December, an annual bird count is conducted which goes into a national study utilized by scientists and meteorologists. If the ski lift could receive a platform for birding, it could transform the location into the next Duluth which gets thousands of visitors. Legislative intent is an issue and conservation needs to serve the tax payers. The goal for the foundation is to have access to conservation and preservation through the recreation provided. This project is about economic development for rural North Dakota. The two main initiatives of the State are workforce development and the Main Street initiative. North Dakota is struggling to keep youth in the State and one of the key pillars is quality of life and recreation. Fargo along with the whole Red River Valley can profit from this project which will serve generations to come.

There was general discussion by the OHF Advisory Board on Grant Round 12 applications as follows:

12-08 (C) ND Resources Trust: Livestock & Wildlife Dams - Creation & Enhancement, \$138,850 –
No comments.

12-07 (D) Bismarck Parks & Recreation District: Hay Creek Bank Stabilization, \$98,370.73 –
No comments.

12-06 (D) Theodore Roosevelt Medora Foundation: Burning Hills Amphitheatre Incline Elevator, \$756,000 –
Comments included:

- The elevator would be owned and maintained by the applicant.
- OHF would just be defraying the cost and there would be no liability involved.
- Concern that there are so many applicants with requests outside the conservation needs of the fund. If one is funded, all projects should be funded. Some direction should be provided by the legislature. The Board should wait on determining funding for these projects until a legislative session is held.
- Both outdoor recreation and economic development are important, but an elevator for an Amphitheatre does not meet the conservation intent of the program.
- All of these projects involve tough decisions worthy of our attention and it is tough to develop some overarching criteria. Access to outdoor recreation for people of all abilities is critical. Guidance would be beneficial, but inaccessible for today so the Board is going to do the best with the criteria given.

12-03 (B) McLean County Water Resource Board: Painted Woods Lake Flood Damage Reduction Project, \$218,132.12 –
Comments included:

- The amount requested has been reduced to \$211,732.13.
- Future land acquisition and the cost involved is concerning. There are some unknowns and land acquisition is the primary obstacle that needs to be determined to move forward with the project.
- The organization did its due diligence and went back to the responsible parties involved requesting funds which include the ND Game and Fish Department, State Water Commission, and Garrison Diversion. A strategic rearrangement of its prioritizations has occurred. The McClean County Water District and Water Commission have put a lot of money into the project. The necessary adjustments have been made and all the directives have been addressed.
- Directive D is also included because it's another recreation area and is public land. It addresses landowner issues and has a historic value. It also hits the conservation, access, and recreation points.

12-11 (B) North Dakota Soil Recovery Program: Audubon Dakota, \$2,923,566 – Comments included:

- This project brings to the forefront issues talked about previously regarding incentive payments and whether or not this will help to keep the project moving forward. Prior issues with the OHF included the loss of CRP and grounds for oil and gas development. The project takes idle land and moves it into productive land through better management practices. The project is a step in the right direction and has been shown to be beneficial to producers. It would improve the habitat and production of 100,000 acres. It is pricey, but landowners should receive incentive payments if the land is utilized in a manner that will benefit the public in the future.
- The amount of acreage involved is impressive. There are costs involved and the incentive payments only equate to \$6 per acre. It is more of a cost share versus incentive payment program.
- Not supportive of incentive payments that will be included with EQIP dollars or Working Grassland funds already provided. What you gain in value is the benefit seen in the future. Helping with infrastructure is more beneficial than providing incentive payments for the long-term benefit of soil health.
- Goals of the program is good but am concerned with the incentive. Would rather see a proposal for infrastructure to maintain the costs involved. There are concerns with writing incentive payments on top of assistance with infrastructure costs. The applicant could reapply in the next round, changing from an incentive program to a cost share program.
- There needs to be a leap of faith for both the grazer and landowner, if independent, which is part of the free market system. We all have the right to try which will result in our success or failure. We should reject the idea that you need a guarantee of profit; that is what makes farmers and ranchers unique.

12-04 (B) Bowman-Slope SCD Grazing Conservation Program: Bowman-Slope SCD, \$112,354 – No comments.

12-12 (D) ND Outdoor Education & Events Barn at Alkali Lake: Audubon Dakota, \$125,154.50 – Comments included:

- This project has already started which makes it ineligible. There is language that allows for a finding of exceptional circumstances, but how to define exceptional circumstances is unclear.
- Staff clarified that to date there have been no recommendations for an exceptional circumstance. The Commission would look for guidance from the Board regarding a recommendation. The Board would need to list out the circumstances for the recommendation.

12-01 (D) Valley City Tennis Courts: Valley City Parks & Rec, \$250,350 – Comments included:

- The project is needed, but it should have a conservation component which is missing. Some other projects are open to interpretation, but would not support this project due to the missing conservation component.

12-05 (D) Northern Plains Botanic Garden Edible Forest: Northern Plains Botanic Garden Society, \$33,601 – Comments included:

- This project is creative. It is not a significant amount of money and would be a good investment of OHF money.

12-09 (D) Prairie to the People: United Prairie, \$38,978 – Comments included:

- Funding for travel would be limited to the State per diem rates for lodging, food, and mileage rates.

12-14 (A) Maah Daah Hey North Unit Bypass: Save the Maah Daah Hey, \$30,000 – Comments included:

- Answers were missing regarding digging, pipelines, and routing. It is a nationally recognized trail, so the groundwork needs to be completed to adequately propose the project. The funds are generated in an oil impacted area. It is a grey area because although there is a recreational component, the conservational component is that it's a heritage type of trail. It falls in line with the type of projects funded by the OHF and support the project.
- The project first needs a feasibility study which is not funded by the OHF. The federal government should fix the issue. A feasibility study phase needs to be completed to better assess the amount needed to build the trail.
- It is a great project, but some pertinent information was missing and the presenters are encouraged to compile the necessary information and reapply. At this time, the project is unfinished and will need additional work before approval.
- The \$6,000 permitting fee is for outside legal fees to a firm that specializes in permits. Because the project involves federal land, a specialized legal entity is needed. The project is planned in phases with the permitting fee portion done first. The second phase involves applying to the Parks and Recreation Department for the construction phase which involves utilizing the easement payments to landowners as a match to the RTP Program.
- The study is not being conducted to determine if a trail will be constructed, but where the trail will be located. It depends on how a person would define feasibility.
- Projects cannot be built without a feasibility study.
- There is a need because essentially now the trail is split into two areas. Without funding, the process will be slowed down, but would not be derailed as other donors would be sought for funding. The Parks and Recreation Department is in favor of the project and another grant proposal will be submitted once the easement is established.
- This is a group of very dedicated volunteers working toward an end goal. The project is not just for mountain bikers. This is not a feasibility study, but rather an engineering study to identify where the actual trail will be located. This project involves the logistics of where to locate the trail in the most cost-effective manner.
- Federal agencies need to be providing the necessary permits. Once the trail route has been determined, applicant is encouraged to request the funding necessary to build the trail.

12-10 (D) Sky Chief Park Restroom Facilities Project: Turtle Mountain Band of Chippewa, \$53,437.50 – Comments included:

- Although it is a building, a comprehensive plan was included and it is a project that should be supported by the OHF.
- In the past, the OHF has looked at how buildings and restrooms fit into the overall use and development. This building will also have changing rooms. The current facilities are temporary portable toilets and this project will improve the use of those outdoor areas.

12-13 (D) Ensuring Access for Sportsmen to ND's First Mountain Bike Terrain Course & Wildlife Lookout Point: Pembina Gorge Foundation, \$865,000 – Comments included:

- This project is different from the other projects presented because of its trails. The recently completed State Comprehensive Outdoor Recreation Plan rates trails as a high need in ND. The project provides access to natural areas which meets the conservation component. It meets the three pillars of recreation by getting people active outdoors, provides social equity by allowing people to enter who cannot afford the fee through a foundation, and conservation although the

term is interpreted differently by other members. The project has started so an exception would need to be provided.

- This project meets the strategic and master plan for the Pembina Region and Gorge. It increases the economic value of area through property leased from the foundation for its visitor center, office areas, and land for trails. The trails are unique to ND and part of multi-phase plan which will eventually expand into a winter operation. The ND Park and Recreation Department is in support of this project moving forward.
- This application will be a defining watershed in the future of the OHF. Like nearly every one of the projects that come before us, the objectives sought are worthwhile and will have beneficial impacts. This project is a great project supported by fine people with a true interest in the betterment of their city, county, region and state. The promoters and supporters of this project are enthusiastic and have put tremendous effort into the development of this recreation area to date and will continue to do so.
 - The OHF was created in 2013 primarily in response to the loss of habitat and access resulting from Oil and Gas Development impacts. That development also created a large increase in the taxes flowing to the state. The legislature recognized the impacts and saw the value in establishing the OHF.
 - The OHF has as it legislated purpose:
 - 54-17.8-03. North Dakota outdoor heritage fund purposes. 1. The commission shall use the fund to provide grants to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to enhance conservation practices in this state by:
 - a. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;
 - b. Improving, maintaining, and restoring water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship to enhance farming and ranching;
 - c. Developing, enhancing, conserving, and restoring wildlife and fish habitat on private and public lands; and
 - d. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.
 - North Dakota has a parks and recreation department that also has recreation grants available. The primary purpose of the OHF remains enhancing conservation practices and defines the four areas for those conservation practices.
 - The Legislature set rules on playgrounds buildings, equipment, following SCD practices and many other considerations in order to follow the conservation-based foundation for the OHF. The Outdoor Heritage Fund is simply not the Outdoor Recreation Fund. It is not an economic development fund, it is not set up to indulge our desires to provide money to groups or projects which we happen to like, or think are great projects. The Board was appointed to watch out for these funds, review projects and select those that enhance conservation practices in North Dakota. If the Legislature thinks these recreational types of projects should be funded, it will provide the funds to Parks and Recreation or to economic development entities. The OHF should not expand funding to projects simply because they are great projects or provide economic development.
 - This chairlift project is primarily for winter sports such as skiing and snowboarding. It has an expanded purpose of providing a ride up the mountain to allow biking down the terrain park. There is a fee for access to the trails and there will be a fee for riding the chairlift. It will be an enhancement for the Pembina Gorge area but that is not the focus of the OHF mission. This project involves a significant amount of equipment to use it, it

involves a substantial mechanical structure which has “terminals” at each end, and it is replacing an existing structure. This structure is not creating access to the biking terrain park, it is simply making it easier. There is no conservation component to this chairlift structure.

- If this recreational use is recommended without a conservation component, why has the Board denied any of the recreational projects such as softball and baseball fields, playgrounds, swimming pools or any of the recreational projects which have an economic development component? Why not a golf course?
- Even though this is a great economic project for that region, the Outdoor Heritage Fund is just not the right funding source.
- This is not a bad project and it will have positive economic impact. Although we all have differing viewpoints, there is a mutual respect amongst us and I was disappointed in a recent Facebook post. My decision on this project is not based upon that post, but the lack of a conservation component. Also, there are repercussions to the choices made and people make calculated risk assessments based upon each statement made. All of us Board members were influential in writing the legislation for this fund and this project does not get to the initial intent of the OHF legislation.
- Regarding the allocation of funds, the northwest producing counties have received the least amount of funding within the State.

12-02 (D) St. Mary's Park Basketball Court: Richardton Park Board, \$10,000 – Comments included:

- This project is almost identical to the outdoor court submitted by Mott in grant round 3 or 4 which was declined due to the lack of conservation.

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 that Mr. Bina has a conflict of interest. She clarified that a project may be started after an application has been submitted, prior to the Board voting on it, at the applicant's own risk. In those cases, the application would not require an extenuating circumstances designation. In the case of the Frostfire application from the Pembina Gorge Foundation, because the work was started after the first application was submitted, an extenuating circumstances designation would not be needed.

Chairman Melchoir listed the eight applications that received less than six votes for funding which include application numbers 12-6, 12-11, 12-12, 12-1, 12-9, 12-13, 12-14, and 12-2.

It was moved by Mr. Moser and seconded by Mr. Elkin that the following applications not be recommended to the Industrial Commission for Grant Round 12 funding:

12-06 (D) Theodore Roosevelt Medora Foundation: Burning Hills Amphitheatre Incline Elevator, \$756,000

12-11 (B) North Dakota Soil Recovery Program: Audubon Dakota, \$2,923,566

12-12 (D) ND Outdoor Education & Events Barn at Alkali Lake: Audubon Dakota, \$125,154.50

12-01 (D) Valley City Tennis Courts: Valley City Parks & Rec, \$250,350

12-09 (D) Prairie to the People: United Prairie, \$38,978

12-13 (D) Ensuring Access for Sportsmen to ND's First Mountain Bike Terrain Course & Wildlife Lookout Point

12-14 (A) Maah Daah Hey North Unit Bypass: Save the Maah Daah Hey, \$30,000

12-02 (D) St. Mary's Park Basketball Court: Richardton Park Board, \$10,000

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

It was moved by Dr. Hutchens and seconded by Mr. Bina that the Livestock & Wildlife Dams submitted by the ND Resources Trust be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$138,850 (Application GR12-8).

Reconstructing projects should be funded by the NRCS. Ms. Kelsch stated within the USDA and NRCS, if the project is constructed with both technical and financial assistance through NRCS, cost sharing expenses are allowed.

On a roll call vote, Bina, DeMorrett, Dokken, Elkin, 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 Hay Creek Bank Stabilization Project submitted by the Bismarck Parks & Recreation District be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$98,371.00 (Application GR12-7).

It is a bank stabilization issue created by too much water from the lots. Only correcting one section will cause the water to overflow in another direction. The money should remain in the fund to re-address the full stabilization problem.

One board member voiced a concern that the issue is greater than the current remedy for the problem.

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

It was moved by Mr. Lies and seconded by Dr. Hutchens that the Painted Woods Lake Flood Damage Reduction Project submitted by the McLean County Water Resource Board be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$211,732.00 (Application GR12-3). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, 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 Mr. Moser that the Bowman-Slope SCD Grazing Conservation Program submitted by the Bowman-Slope SCD be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$112,354.00 (Application GR12-4). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, 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 the Northern Plains Botanic Garden Edible Forest submitted by the Northern Plains Botanic Garden Society be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$33,601 (Application GR12-5).

A board member encouraged the organization to keep searching for a cheaper non-commercial alternative fence to keep the deer out.

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

It was moved by Dr. Hutchens and seconded by Mr. Bina that the Sky Chief Park Restroom Facilities Project submitted by the Turtle Mountain Band of Chippewa be recommended to the Industrial Commission for Outdoor Heritage Fund funding in the amount of \$53,438.00 (Application GR12-10). On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Hutchens, Kuylen, Melchior, Moser, Stockdill, and Reierson voted yes, and Lies voted nay. The motion carried.

Two recipients presented requests for amendments to previously approved projects.

11-119, Graner Park Bank Stabilization Phase II

Mr. Tim Nilsen, Morton County Parks, presented a request for a no-cost modification to the scope of work on OHF project #11-119 to include the purchase of up to 48 ten foot trees, mulch, watering bags, stakes, and tree straps.

The bids submitted were substantially lower than expected. Morton County Parks is requesting permission to utilize \$8,000 in remaining funding to purchase and plant trees along the banks for additional stabilization. A list of five different tree options were obtained from Joel Nickels, a local representative. The cottonwoods and maple trees have survived the flooding in the park which is why those trees were selected.

Mr. Kotchman is in support of the idea to plant trees with any remaining funds. The only request is to be diverse in the selection of tree species. With diseases such as Dutch Elm or Emerald Ash Bore, diversity would provide some assurance that not all trees would be lost due to disease.

Mr. Steinwand stated on a dam, when trees die the roots decay and provide a way for water to flow through and damage the dam. On a bank, the tree roots offer soil retention.

Mr. Kotchman stated root systems help to stabilize the soil along river banks and streams. Trees around a dam can penetrate the structure of the dam and cause erosion to develop.

It was moved by Mr. Kuylen and seconded by Mr. Elkin that the request submitted by Morton County Parks to amend OHF award #11-119, Graner Park Bank Stabilization Phase II Project, to utilize \$8,000 in remaining funding to purchase and plant trees along the banks be recommended to the Industrial Commission for approval. On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Hutchens, Kuylen, Lies, Melchior, Moser, Stockdill, and Reierson voted yes, no one voted nay. The motion carried unanimously.

05-071, Sheyenne River Sedimentation Reduction Project Phase II

Mr. Jason Elstad, Barnes County SCD, presented a request for a no-cost modification to the scope of work on OHF project #05-071 to include the installation of a canoe/kayak launch at a Riparian Park that is owned by the SCD.

The proposed amount is \$9,800 and \$3,285.54 would be matched by the Barnes County Soil Conservation District. He visited with individuals at the Corps of Engineers and Barnes County Water Board and since the area will not be changed, no permitting is required. The proposed site was selected because it will be better protected and the threat of it washing out will be minimized.

It was moved by Mr. DeMorrett and seconded by Mr. Kuylen that the request submitted by Barnes County Soil Conservation to amend OHF award #05-071, Sheyenne River Sedimentation Reduction Project Phase II, to allow usage of the remaining balance for a canoe or kayak launch be recommended to the Industrial Commission for approval. On a roll call vote, Bina, DeMorrett, Dokken, Elkin, Hutchens, Kuylen, Lies, Melchior, Moser, Stockdill, and Reiersen voted yes, no one voted nay. The motion carried unanimously.

Policy Recommendations Update

Ms. Pfennig stated that previously, the Board approved recommendations of changes to the application form. The application form reflects the policies of the Board/Commission. The recommendation was brought forward to the Industrial Commission. Ms. Pfennig reported that the Commission declined to act on the recommendations at the time as they wanted more time to review the information to avoid unintended consequences. A copy of the proposed changes is available in the May 14, 2018 minutes.

Mr. Melchior stated the intention was to leave the criteria broad, so the Board had discretion to view various applications.

Ms. Fine stated the Commission had questions from its legal counsel regarding the law and whether the proposed changes are within the Commission's authority. There was discussion regarding if there is a process the Board can take to encourage the introduction of legislation to clarify these issues. Mr. Melchior stated that he anticipates that the issue will be reviewed during the next legislative session.

A question was raised regarding recreation applications that do not have a conservation component and whether applicants know that they are unlikely to be funded. Ms. Fine stated that all applications are first reviewed by the staff and the technical committee and then the applicants are notified of projects typically not funded. From there a decision can be made by the applicant as to whether to continue to pursue approval of the application. Unless an applicant read all the minutes, the fact that the application is unlikely to be funded would not be stated.

SHPO Discussion

Ms. Pfennig stated that the Technical Committee had a discussion regarding compliance with State Historical Preservation Office (SHPO). Although compliance with SHPO is not a requirement, it is a best practice. The recommendation is that the contract be revised to state applicants are encouraged to contact SHPO to ensure there are no negative cultural impacts associated with the project. Ms. Fine stated currently the practice is to allow the cost of a SHPO review be funded by the OHF.

A question was asked regarding the actual cost of an SHPO review. Ms. Kelsch stated that once the project and location have been determined, the map is updated with the markings which goes to SHPO for review at typically no cost. Surveys can range anywhere between \$500 to \$2,500.

Summary Report on Projects

Ms. Pfennig presented statewide information on the amount of money awarded, which is broken down by: tree planting, best management practices, water projects, recreation, habitat, and sportsmen access. A handout is available in Commission files.

Recreation was broken down further into the different types of recreational areas and directives identified for comparative purposes. The data also included the various classifications for each project and the matches for the best management practices along with the 319 funds.

Ms. Pfennig stated that the map will be updated for each grant round and provided at each meeting. The plan is to also have the map available on the website.

It was noted that the four oil producing counties that generate 90% of the money are probably the least impacted by the fund.

Ms. Fine stated that since the last meeting, Ms. Shirley Campbell has retired. The Board expressed their appreciation for her service.

With no further business, Chairman Melchior adjourned the meeting at 4:03 p.m.



Jim Melchior, Chairman



Recording Secretary