

MINUTES
NORTH DAKOTA ASSOCIATION OF SOIL CONSERVATION DISTRICTS
BOARD OF DIRECTORS SPECIAL MEETING

Friday, August 19, 2011
Lincoln-Oakes Nursery, Bismarck, ND
1:00pm

ATTENDANCE: Dennis Haugen, Dennis Reich, Jim Cart, Richard Faught, Ed Hauf, James Teigen, Donald O. Anderson, Curtiss Klein, LeAnn Harner
Absent: Aaron Smestad

Others attending: Greg Morgenson, Nurseries Manager
Mary Heintz, Director of Business Operations
Jennifer Heglund, NRCS Assistant State Conservationist
Kathy Henriksen, NDASCD Secretary

President LeAnn Harner called the meeting to order at 1:00pm.

The Board reviewed the questions they have for the Farm Credit Services Project team. James Teigen suggested the number one question should be, Do we have a future as a Nursery? Also to add to the questions: Is it feasible to sell one Nursery?

The Board reviewed the questions and the Board's answers from Farm Credit Services.

Greg Morgenson and Mary Heintz have developed a Lincoln-Oakes Nursery handbook for the Directors. They reviewed the handbook and it will be shared with the Farm Credit Services Project team to assist them with their evaluation of LON/NDASCD.

1:50pm – The meeting with the Project team from Farm Credit Services was convened.

Introductions of directors, staff, others, and Project team members were made.

Farm Credit Service Project Team Members present:

Michael O'Keefe, CEO
Rod Bachmeier, VP Customer Operation
Dan Beyer, VP Financial Services
Kathleen Wiese, Director Human Resources
Aaron Vetter, Regional Manager- AgriBusiness
Todd Klee, Lead Accounting Specialist

Mike O'Keefe briefed the Board on the Farm Credit Services of Mandan. He reviewed the questions and answers received from the Board. Some of the questions discussed were:

- Tell us about Lincoln-Oakes Nursery – Greg Morgenson gave an overview of LON
- What is the relationship with soil conservation districts?

- What is your goal of meeting with us and why are you here?
- What are your expectations of this project?
- What are your concerns with the nursery?
- Do you have a preconceived conclusions?
- What is the timeline for this study?
- What are your mission and vision statements?
- Can you share with us your core values?
- Strategically, what do you want to accomplish?
- What external factors impact your business?
- What internal factors impact your business?
- What is your operating philosophy?
- Who are your customers? Where do you market?
- Who is making the decisions (Daily/Overall)?
- What are your products?
- Describe your financial planning process?
- Do you have budgets for 1, 3, 5 years out?

They discussed the time commitment for this study to be completed. It was suggested to present this completed study at the Annual Meeting/Convention.

Comments:

The Project team will not tell us how to do it but will give us suggestions, and ideas. The team would like to meet individually with board members and staff.

Mike O'Keefe will review our information and get back to LeAnn with their decision on Monday, August 22.

4:12pm – Farm Credit Services Project team left the meeting

Break

4:24pm – Board meeting was reconvened.

Comments on the Farm Credit Services Presentation:

- Excellent reputation of Farm Credit Services
- will provide us ideas, suggestions and challenges
- \$9,000 - \$20,000 fee
- Wait until Farm Credit Services proposal/agreement and then have Conference Call Meeting to make any decisions
- Discussed the commitment of the board members- interviews and to implement the ideas and suggestions
- Questions were good – challenges were given
- Commented on the Board's early intervention on these concerns and issues (Contingency Plan)
- Cost for study: Approximately \$20,000 – we lost \$250,000. this year commented not too much to pay to get an outside evaluation
- Outside, unbiased group would be helpful

- Teleconference call meeting after the proposal is received
- Visit with districts about challenges ahead
- Increase cost of trees, dues, and marketing strategies
- Use the Annual Meeting to get the message out (mini-sessions, general sessions, and theme)
- Cost of study – well worth it
- Consensus of the board is to contract with Farm Credit Services depending on the cost and agreement and will have a meeting on Wednesday, August 24, 2011- 7:30am CDT Conference Call Meeting
- Discussed selling or closing the nurseries being our last option.
- Discussed the need for marketing trees with Greg Morgenson

Other pending NDASCD activities:

The Board discussed reviewing the job description of the Executive Director (CEO). Also, they discussed the cost of getting the pump house in operating condition after the flood. (FEMA/ flood insurance).

LeAnn said she'd attended a Farm Bill meeting hosted by the ND Department of Ag earlier in the day. Over 20 Ag groups, plus staff from the Congressional Delegation was present. Suggestions for the Farm Bill were discussed. The Ag Dept will gather the ideas and put them in writing to share with the groups. It appears that the budget perimeters of the 2012 Farm Bill will be written by Congress's 12 member Super Committee as they write budget guidelines. Individual Congressional committees have until Oct. 14th to send their recommendations to the Super Committee.

LeAnn reported that she'd talked with the South McHenry County Soil Conservation District. Their office building (owned by the district) was flooded and has been stripped back to the studs. They are negotiating with FEMA to see what type of assistance may be available.

NRCS Chief White will be in the Fargo area August 30th as a guest of the ND Grain Growers, then go up to tour Devils Lake. Dick Faught agreed to represent NDASCD for the Fargo portion of the visit.

LeAnn said she was still trying to set up a conservation tour for congressional staffers.

The Department of Ag has invited EPA's Region VIII Administrator to North Dakota in early October. She will be joined by the EPA Administrator's Ag Advisor. NDASCD will be able to participate in that meeting.

LeAnn has been invited to participate in a Farm Bill conference November 7-8 at NDSU. This is sponsored by Senator Conrad in conjunction with NDSU's Center for Agricultural Policy and Trade Studies.

There will be a Nonpoint Source Pollution Task Force meeting September 14th, where LeAnn will take Tom's place, since the group will be voting on the allocation of 319 funds.

Jim Teigen and Dick Faught have agreed to serve on the interview committee for the new Soil Health outreach positions at Fargo, Langdon and Minot the end of September and early October. They hope it will just be one day for each location. LeAnn suggested that since these board members are filling in for our exec, they should take compensation.

Discussion opened on compensating LeAnn for filling in with some of the activities which would have been covered by our exec. Our bylaws and policy allow for a maximum of \$60 per day plus reimbursement for travel, meals, and other expenses.

**Dick Faught moved, Jim Cart seconded, to authorize payment for LeAnn Harner within the confines of Association bylaws and policy for her work on behalf of NDASCD, whether she's working from home or at the office. Motion carried.
LeAnn Harner Abstained.**

Seeing as we had a quorum to conduct business, the Board cancelled their scheduled conference call for August 20th.

The meeting adjourned at 5:20 pm.

Curtiss Klein
Secretary

Recorded by
Kathy Henriksen

MINUTES
NDASCD Board Conference Call
Wednesday, August 24, 2011
7:30AM

Roll Call: Jim Teigen, Jim Cart, Dick Faught, Dennis Haugen, Ed Hauf, Dennis Reich, LeAnn, Harner

Guest: Jack Russell, NRCS Assistant State Conservationist

LeAnn Harner called the meeting to order at 7:32 am via conference call.

The first item of business was the proposed business service agreement with Farm Credit Services of Mandan. **Jim Teigen moved we sign the business service agreement as proposed. Dennis Reich seconded. Motion Carried with all voting in favor.** LeAnn will clarify with Farm Credit that we'll receive a written report in addition to their final presentation. Farm Credit intends to finish their work by September 30, 2011.

Don Anderson joined the meeting.

In order to include the results of Farm Credit's work in our next meeting, the Board agreed to change their meeting date to October 6. This will be a long meeting, so we'll try to do some advance work on awards, etc. via committees.

NRCS Chief White will visit the Fargo and Devils Lake area on August 30th. Dick Faught has committed to participating in the Fargo portion of the visit, but there is room for other participation if members have time.

CREP proposal on Living Snow Fences – Before his resignation, Tom Hanson sent a draft proposal to FSA. This has traveled up the chain to their Washington, DC office. Yesterday LeAnn received an email stating that an Environmental Assessment would be required prior to approval of any CREP proposal at a cost of \$25,000-65,000. She is looking to see if this is a new requirement, but the Board agreed they aren't willing to pay for an assessment.

The meeting adjourned at 8:03 a.m.