

**GARRISON DIVERSION CONSERVANCY DISTRICT
AGRICULTURE AND NATURAL RESOURCES COMMITTEE**

Oakes Irrigation Research Site Subcommittee

Zoom Meeting

**September 9, 2020
9:00 A.M.**

AGENDA

- 9:00 a.m. I. Consideration of Minutes – Mark Cook
 - A. >July 1, 2020**
 - B. >July 21, 2020**
- 9:05 a.m. II. Oakes Irrigation Research Site – Mark Cook
 - A. >NDSU Proposal – OIRS Budget Transitions
 - B. >GDCD Past Funding History
 - C. Long-Term Planning Discussion
- 10:30 a.m. III. Adjourn

The following minutes are in draft form subject to review and approval by the Ag & Natural Resources Committee at its next meeting.

20-01

GARRISON DIVERSION CONSERVANCY DISTRICT
AGRICULTURE AND NATURAL RESOURCES
OAKES IRRIGATION RESEARCH SITE SUBCOMMITTEE

Video Conference
July 1, 2020

A meeting of the Oakes Irrigation Research Site Subcommittee was held through Zoom video conference on July 1, 2020. The meeting was called to order by Chairman Cook at 9:30 a.m.

MEMBERS PRESENT

Chairman Mark Cook
 Director Rick Anderson
 Director Norman Haak
 Director Kelly Klosterman
 Secretary Kip Kovar

OTHERS PRESENT

Ken Royse, Chairman, Garrison Diversion Conservancy, Burleigh County, Bismarck, North Dakota
 Alan Walter, Vice Chairman, Garrison Diversion Conservancy District, Minot, North Dakota
 Jay Anderson, Director, Ransom County, Garrison Diversion Conservancy District, Lisbon, North Dakota
 Steve Metzger, Director, Foster County, Garrison Diversion Conservancy District, Carrington, North Dakota
 Jeff Breker, Director, Sargent County, Garrison Diversion Conservancy District, Havana, North Dakota
 Merri Mooridian, Administrative Officer, Garrison Diversion Conservancy District, Carrington, North Dakota
 Kimberly Cook, Communications Director, Garrison Diversion Conservancy District, Carrington, North Dakota
 Lisa Schafer, Executive Assistant, Garrison Diversion Conservancy District, Carrington, North Dakota

The meeting was recorded to assist with compilation of the minutes.

OAKES IRRIGATION RESEARCH SITE (OIRS)

Long-Term Plan for OIRS

The committee members reviewed Garrison Diversion's past commitments to the OIRS and discussed various options and ideas regarding the future of the site, Garrison Diversion's involvement and a possible exit plan allowing North Dakota State University (NDSU) to take over full funding of the operations at the site.

The committee arrived at a consensus on the following proposal concerning Garrison Diversion’s future involvement at the OIRS:

- GDCD construct new building (not finished) spring 2021
- After building is complete start a six-year funding exit plan
- Starting with \$167,875 in year one

| | | <u>Payback</u> |
|--------|----|----------------|
| Year 1 | \$ | 167,875.00 |
| Year 2 | \$ | 139,896.00 |
| Year 3 | \$ | 111,917.00 |
| Year 4 | \$ | 83,938.00 |
| Year 5 | \$ | 55,959.00 |
| Year 6 | \$ | 27,980.00 |

- Ask GDCD board what funding level they want to participate in year 2021 - \$167,875 or increase to \$178,000
- Discuss passing the rent/lease obligation to NDSU after the building is complete

Director Klosterman will contact Blaine Schatz, Director, NDSU Research Extension Center, to set up a meeting with NDSU representatives and Garrison Diversion to go over the proposed plan.

OTHER BUSINESS

There being no further business to come before the committee, the meeting adjourned at 10:25 a.m.

(SEAL)

Mark Cook, Chairman

Kip Kovar, Secretary

The following minutes are in draft form subject to review and approval by the Oakes Irrigation Research Site Subcommittee at its next meeting.

20-03

GARRISON DIVERSION CONSERVANCY DISTRICT
AGRICULTURE AND NATURAL RESOURCES
OAKES IRRIGATION RESEARCH SITE SUBCOMMITTEE

Video Conference
July 21, 2020

A meeting of the Oakes Irrigation Research Site Subcommittee was held through video conference on July 21, 2020. The meeting was called to order by Chairman Cook at 8:30 a.m.

MEMBERS PRESENT

Chairman Mark Cook
 Director Rick Anderson
 Director Norman Haak
 Director Kelly Klosterman
 Acting Secretary Duane DeKrey

OTHERS PRESENT

Ken Royse, Chairman, Garrison Diversion Conservancy District, Burleigh County, Bismarck, North Dakota
 Merri Mooridian, Administrative Officer, Garrison Diversion Conservancy District, Carrington, North Dakota
 Kimberly Cook, Communications Director, Garrison Diversion Conservancy District, Carrington, North Dakota
 Lisa Schafer, Executive Assistant, Garrison Diversion Conservancy District, Carrington, North Dakota
 Greg Lardy, Vice President, Agriculture, North Dakota State University, Fargo, North Dakota
 Blaine Schatz, Director, NDSU, Carrington Research Extension Center, Carrington, North Dakota

The meeting was recorded to assist with compilation of the minutes.

OAKES IRRIGATION RESEARCH SITE (OIRS)

Kelly Klosterman, Director, Garrison Diversion, explained discussions that took place during the Oakes Irrigation Research Site Subcommittee meeting on July 1 regarding the OIRS. At that time, the committee expressed its concern with the increased OIRS budget request for 2021, which has been approved. The committee also reviewed its accomplishments and past funding history at the site.

Director Klosterman reported the committee conferred on a possible long-range plan for the site, which would allow Garrison Diversion to phase out of funding the site and for North Dakota State University (NDSU) to take over full funding of the site. A proposal was developed which includes Garrison Diversion's assistance with construction of a new building at the site, a six-year funding exit plan and passage of the land lease on to NDSU once construction is complete.

Duane DeKrey, Acting Secretary, asked NDSU to provide their wishes for the site in order to help Garrison Diversion determine which direction to take.

Blaine Schatz, Director, NDSU Carrington Research Extension Center (CREC), said NDSU has worked hard to maintain a relatively stable, overall budget for the program at the OIRS. The budget has not varied much over the past ten years. Work began approximately three to four legislative sessions ago with SBARE in anticipation of receiving support from the State's general fund for operations at the site. Three sessions ago the OIRS was identified as the top priority of SBARE, but that happened to coincide with the allotment process and significant budget cuts. At that time, SBARE had been well educated on the program at the OIRS and its significance to North Dakota. The funding suggested would have been sufficient for Garrison Diversion to back away wholly because the resources identified would have been adequate to fully fund the program in addition to the typical grants brought forth.

Mr. Schatz stated the most recent session, through Dr. Lardy's efforts to identify the significant needs for the experiment station, did include \$200,000 for SBARE priorities and was approved. Going forward towards obtaining continual support from the legislature for the balance of the Garrison Diversion funding required to sustain the program does take time. The suggested six-year phase-out by Garrison Diversion represents one to two sessions to achieve.

Mr. Schatz said the fall of 2019 was the last opportunity to share priorities with SBARE, at least at the Carrington Center; he shared that one of the priorities was for additional support towards the OIRS, and commented that Garrison Diversion is looking to further reduce its commitment due to other priorities developing within its wheelhouse.

Mr. Schatz added he has continued working with SBARE, and through that ultimately the state legislature, to garner additional support for the OIRS. It is a process which is dependent upon the relative health of the state's budget.

Dr. Greg Lardy, Vice President, Agriculture, NDSU, agreed that obtaining state funding would be a multi-session process. If funds are being sought from the legislature to backfill the remaining portion for the money currently provided by Garrison Diversion, he believes it would be more of a five to seven-year horizon, especially looking at the 2021 session. As they see the playing field start to shape up, everyone is aware the appropriations side of this is going to be difficult. The fact the pandemic is affecting tax receipts and oil has been negatively impacted is going to be a challenge to simply maintain budgets this session. As support for the OIRS is sought and considering the work that is taking place there, five to seven years or even longer seems to be a more likely time plan.

Director Klosterman stated a very good job was done educating the past board members of SBARE on the need for the OIRS. Now, many of the members have left, and there is a need to educate the new members. He asked if a sunset plan is developed, would this help to obtain funds from SBARE knowing Garrison Diversion funding ends in a certain amount of years yet to be determined.

Dr. Lardy replied it would surely convey more certainty by bringing a timeline into the equation. It also provides a place to start the conversation more effectively with the SBARE members.

Mr. Schatz commented when he testified last year, it seemed to him if there was the clarity that has been referred to or tangible reference that Garrison Diversion was looking to sunset

its support, he believes that definitely puts a greater emphasis on the state's need to consider that particular request.

Director Klosterman said Garrison Diversion is willing to work through SBARE with NDSU.

Mr. Schatz said when bringing this message to SBARE and the opportunity to make some strides toward additional general fund support, the 2021 session is fast upon us, and it is going to be a very difficult session. The best-case scenario is coming out of the session with a flat budget, which would be a significant achievement. Late this fall or early winter of 2021 will be the next opportunity that he, Garrison Diversion and other irrigation advocates will be able to address SBARE to make the case for additional general fund support for the OIRS. Depending upon the action of SBARE, whatever that priority is, hopefully, additional funding for the OIRS will be included. This would then be in front of the legislature in 2023; therefore, any action would not truly be reflected until the 2024 season. For this reason, the sunset plan may need to be longer than five to seven years because right now, it will be four years out before there is any potential impact in terms of budget reduction relative to Garrison Diversion's contribution subsequent to legislative action.

Dr. Lardy stated the key thing is identifying the additional stakeholders this group can bring to the table whether that is additional irrigation users or the users of the research that is conducted at the OIRS and getting them to speak up and voice their support, not only with SBARE, but also with key appropriators.

Director Klosterman said the next thing to do is come up with a number and a plan for a timeline. The following schedule was proposed as an exit funding plan at the previous OIRS Subcommittee meeting.

| | | <u>Payback</u> |
|--------|----|----------------|
| Year 1 | \$ | 167,875.00 |
| Year 2 | \$ | 139,896.00 |
| Year 3 | \$ | 111,917.00 |
| Year 4 | \$ | 83,938.00 |
| Year 5 | \$ | 55,959.00 |
| Year 6 | \$ | 27,980.00 |

Dr. Lardy said one thing not taken into account is the fact that the legislature meets on a biennial basis. In order to sustain this type of plan, the timing should reflect what can be accomplished at the legislature, and adjustments may be needed.

Director Klosterman stated Garrison Diversion would like input from Mr. Lardy and Mr. Schatz as to what they would like to see in the proposal for a long-range plan at the OIRS. Garrison Diversion would like to see a plan that works for NDSU and Garrison Diversion.

Dr. Lardy commented he is willing to work with Mr. Schatz and Kelly Cooper from the OIRS to come up with a set of numbers and a timeline they believe would be workable for NDSU.

Mr. Schatz said if talking about support from the state general fund, the reality is the next opportunity they will have, assuming success with SBARE, is the 2023 legislative session.

Director Klosterman stated year one on the schedule could be 2021 or 2022. Garrison Diversion's potential plan was to construct the new building and then start implementing the exit plan. The soonest a building could be completed is the spring of 2021.

Mr. Schatz said the other thing to keep in mind is Garrison Diversion's fiscal year is a calendar year and NDSU's begins on July 1. If successful in the 2023 session, the first monies would be available in July of 2023.

Mr. Schatz further stated NDSU would need to identify what their process needs to be and, at least from the CREC's perspective, make the case for the OIRS as a CREC priority at the next listening session. It will be critical for the other constituencies to voice the need for the program at the OIRS in 2021 when the opportunities present themselves.

Director Anderson said Garrison Diversion's proposal was a plan to get things started. If year one has to be delayed a year, it is not significant.

Mr. Schatz stated to keep in mind when looking at the field trial budget number and the variations for the progression that has occurred, in 1997-1998, the big jump was that previous to his directorship, the research agronomist was not an employee of NDSU. The agronomist was an employee of Garrison Diversion so they were actually providing funds beyond that number toward the OIRS. In the jump from 1997-1998, that is when this individual became an employee of CREC/NDSU.

Director Klosterman also pointed out the size of the OIRS was doubled around 2013 or 2014.

Chairman Cook commented the subcommittee would like to present a full report on the proposed OIRS long-range plan at the October board meeting for consideration.

Mr. Schatz said he would like a bit more guidance in terms of what kind of deliverables are needed when preparing for the meeting.

Director Klosterman suggested a meeting of the OIRS Subcommittee be held the first part of September so there would be time to make any needed adjustments to the proposal prior to the board meeting.

Director Anderson stated the board will need a pretty firm proposal because the members generally accept the recommendation from the committee. The subcommittee needs to know what NDSU has in mind for the OIRS before a proposal is presented to the full board.

Director Haak also suggested that Kelly Cooper give a presentation at the board meeting showing what is going on at the site currently and how the rinsate pad and new storage facility are working out.

Director Klosterman asked what has to be done in preparation for the new building. Is construction possible for next spring?

Mr. Schatz said once the rinsate facility and chemical storage building are operational, which should be in two to three weeks, and once the fall site activities are complete, they anticipate doing mostly processing and weighing of samples and so forth in the space accommodated by the rinsate facility. Once they are out of the field around the end of October or first of November, they could be working toward vacating the other two existing buildings.

Director Klosterman commented based on that, it would be late winter or early spring before teardown of the old buildings could begin.

Mr. Schatz stated one thing relative to that is the need to address the cost of demolition. He will need to get an estimate for that work. To prepare the site for construction, there will be cost obligations that need to be addressed. There are also two wells that will need to be closed up.

Director Klosterman asked if there are any problems with NDSU completing the removal of the building located on Garrison Diversion property.

Mr. Schatz replied he would have to get an assessment of the costs and make sure he has the resources to pay for the demolition at this particular time. It is not a part of NDSU's budget right now. There will be other issues that present themselves, such as power and deconditioning the wells, etc.

Dr. Lardy thanked Garrison Diversion for the support at the OIRS. They appreciate the partnership very much, and he looks forward to working with Mr. Schatz and Mr. Kelly on terms of guidance on how to come up with a plan that works for both entities.

Mr. DeKrey recommended meeting with Mr. Schatz to finalize plans for construction of the building if work is to start in the spring.

Director Klosterman said he would work with Mr. Schatz on the building plans.

Mr. Schatz informed the subcommittee the OIRS Field Day will be held virtually on August 4.

OTHER BUSINESS

There being no further business to come before the committee, the meeting adjourned at 9:35 a.m.

(SEAL)

Mark Cook, Chairman

Duane DeKrey, Acting Secretary

Proposed budget adjustments for funding derived from GDCD's commitment to the OIRS.

Table 1. GDCD AG subcommittee's proposed phased budgets in support of OIRS in relation to NDSU fiscal year and ND Legislative sessions.

| GDCD's Proposed Phased Payment Schedule | | | Payment aligned with CREC FY | NDSU CREC FY | OIRS funds based on GDCD support | Legislative session where NDSU CREC budget is acted upon. |
|---|---------|-----------|------------------------------|--------------|----------------------------------|---|
| ** | GDCD FY | Payment | CREC FY | | Amount | |
| 2021 | FY21 | \$178,000 | FY21-22 | FY21 | \$172,937 | |
| Year 1 | FY22 | \$167,875 | FY22-23 | FY22 | \$172,937 | 2021 Legislative Session- Impacts FY22 & FY23 |
| Year 2 | FY23 | \$139,896 | FY23-24 | FY23 | \$153,886 | |
| Year 3 | FY24 | \$111,917 | FY24-25 | FY24 | \$125,907 | 2023 Legislative Session- Impacts FY24 & FY25 |
| Year 4 | FY25 | \$83,938 | FY25-26 | FY25 | \$97,927 | |
| Year 5 | FY26 | \$55,959 | FY26-27 | FY26 | \$69,949 | 2025 Legislative Session- Impacts FY26 & FY27 |
| Year 6 | FY27 | \$27,980 | FY27-28 | FY27 | \$41,969 | |
| | FY28 | na | FY28-29 | FY28 | na | 2027 Legislative Session |
| | FY29 | na | FY29-30 | FY29 | na | |

** Years 1 to 6 aligned with fiscal years based on GDCD reference to when six-year exit plan would be initiated.

The information in table 2 defines an alternative payment schedule that NDSU Agriculture is proposing regarding support from the GDCD for the OIRS. The alternative payment schedule is based on the the timelines of the SBARE process, corresponding ND Legislative sessions and subsequent NDSU fiscal years. The upcoming 2021 legislative session is anticipated to be a challenging one for the assembly based on the current economic environment due to the pandemic. Enhancements in funding are unlikely and additional funding for the OIRS is not among the current SBARE priorities defined for the upcoming session. As one looks ahead to future ND legislative sessions, the 2025 session is seen as having the best potential for securing additional general fund support to replace that currently received from the GDCD. Over the course of the next few years it will be important for the multiple constituency groups who believe in the importance of the research program at the OIRS to share their thoughts and concerns with SBARE and other decision makers.

Table 2. GDCD AG subcommittee's proposed budgets in support of OIRS versus alternate schedule from NDSU aligned with ND Legislative session opportunity.

| GDCD's Proposed Phased Payment Schedule | | | Payment aligned with CREC FY | NDSU CREC FY | Alternative GDCD Payment Schedule | Legislative session where NDSU CREC budget is acted upon. |
|---|---------|-----------|------------------------------|--------------|-----------------------------------|---|
| | GDCD FY | Payment | CREC FY | | Amount | |
| Year 1 | FY22 | \$167,875 | FY22-23 | FY22 | \$167,875 | 2021 Legislative Session- Impacts FY22 & FY23 |
| Year 2 | FY23 | \$139,896 | FY23-24 | FY23 | \$167,875 | |
| Year 3 | FY24 | \$111,917 | FY24-25 | FY24 | \$167,875 | 2023 Legislative Session- Impacts FY24 & FY25 |
| Year 4 | FY25 | \$83,938 | FY25-26 | FY25 | \$167,875 | |
| Year 5 | FY26 | \$55,959 | FY26-27 | FY26 | \$83,938 | 2025 Legislative Session- Impacts FY26 & FY27 |
| Year 6 | FY27 | \$27,980 | FY27-28 | FY27 | na | |
| | FY28 | na | FY28-29 | FY28 | na | 2027 Legislative Session |
| | FY29 | na | FY29-30 | FY29 | na | |
| | Total | \$587,565 | | | \$755,438 | |

OIRS Expense Summary

| <u>Field Trials</u> | | <u>Research & Outreach</u> | |
|-----------------------|-----------------|--------------------------------|--------------|
| July 1990 & June 1991 | \$ 44,922.00 | August 2006 | \$ 15,000.00 |
| July 1991 | \$ 44,000.00 | September 2007 | \$ 15,000.00 |
| July 1992 | \$ 50,000.00 | February 2008 | \$ 15,000.00 |
| July 1993 | \$ 52,500.00 | January 2009 | \$ 15,000.00 |
| July 1994 | \$ 49,145.00 | Totals | \$ 60,000.00 |
| July 1995 | \$ 50,145.00 | | |
| July 1996 | \$ 51,145.00 | | |
| July 1997 | \$ 52,745.00 | | |
| July 1998 | \$ 142,400.00 | | |
| July 1999 | \$ 130,000.00 | | |
| August 2000 | \$ 130,000.00 | | |
| July 2001 | \$ 130,000.00 | | |
| July 2002 | \$ 130,000.00 | | |
| July 2003 | \$ 160,000.00 | | |
| July 2004 | \$ 160,000.00 | | |
| August 2005 | \$ 160,000.00 | | |
| May & Aug 2006 * | \$ 80,000.00 | | |
| January 2007 | \$ 160,000.00 | | |
| February 2008 | \$ 160,000.00 | | |
| January 2009 | \$ 160,000.00 | | |
| April 2010 ** | \$ 197,000.00 | | |
| March 2011 | \$ 190,000.00 | | |
| January 2012 | \$ 190,000.00 | | |
| January 2013 | \$ 190,000.00 | | |
| June 2014 | \$ 140,000.00 | | |
| April 2015 | \$ 267,875.00 | | |
| June 2016 | \$ 267,875.00 | | |
| January 2017 | \$ 267,875.00 | | |
| April 2018 | \$ 267,875.00 | | |
| January 2019 | \$ 267,875.00 | | |
| February 2020 | \$ 167,875.00 | | |
| Totals | \$ 4,511,252.00 | | |

* \$15,000 final OFT 05-06 \$65,000 OFT July 06-Dec 06

** 7,000 was for removal of trees from a shelter belt

| | |
|---------------------|-----------------|
| Field Trials | \$ 4,511,252.00 |
| Research & Outreach | \$ 60,000.00 |
| Fixed Assets | \$ 37,000.00 |
| Totals | \$ 4,608,252.00 |

GL Account 2-000-5540-000 1990-1995
GL Account 1-000-5540-000 1996-2000
GL Account 1-000-5540-001 2001-Present

GL Account 1-000-5540-009

Fixed Assets

| | | |
|-------------|---------------------|---------------------|
| August 2005 | .5 Acres | \$ 20,000.00 |
| April 1994 | New Holland Tractor | <u>\$ 17,000.00</u> |
| | Totals | \$ 37,000.00 |