

**NORTH DAKOTA NATURAL RESOURCES TRUST
2017-2018 OVERALL ACCOMPLISHMENTS**

ADMINISTRATION

Staffing

As I wrote this report a year ago the Trust was in the process of filling, for the second time in two years, our administrative assistant/biological technician position. As with our 2016 hiring effort, there was great interest in working for the Trust. We received over thirty (30) applications for the position. We worked as a staff team to review, evaluate and select candidates to interview. We interviewed nine (9) excellent candidates; the position was ultimately offered to Kathy Kirschman. Kathy accepted our job offer and began work on September 1, 2017. Kathy brings a distinct skill set and outstanding passion for our work. Especially noteworthy, Kathy has gotten involved in several efforts to reach out to women with our conservation message, including Pheasants Forever's Women in Conservation program and Women in Agriculture. Kathy is also an accomplished artist, so represented the Trust in judging the state Junior Duck contest and participated in the national Junior Duck stamp event held in North Dakota.

We also continued our very successful partnership relationship with the ND Game & Fish Department to provide NAWCA staffing services. Rick Warhurst continues in that position. Not only are his experience and expertise valuable to Director Steinwand, but having Rick at the Trust office to provide assistance, advice and perspective on so many issues remains a great benefit to Trust staff.

And again this year, we have a special staff highlight to report. While Rick worked on many issues in many geographic areas during his DU career, he spent a good deal of time in South Dakota. His colleagues and the many partner organizations there recognized his great work and outstanding contributions to conservation over that time. As a result, in January Rick was inducted into the South Dakota Ducks Unlimited Hall of Fame. Well-deserved recognition for a consummate professional, one we are proud to have affiliated with the Trust.

Jesse Beckers continues to work on a variety of projects, with a good deal of emphasis on reducing the impacts of energy development, both oil & gas and wind. Jesse assists with virtually all Trust projects and continues to provide valuable GIS services in support of much of the Trust's work.

Terry continues to bring biological expertise to virtually every Trust project. He also handles all our business management as well as continuing to provide fiscal support for a number of partners.

Finances

Trust financial operations remained stable and under Terry's guidance. Annual highlights include:

- Another excellent annual audit report
- Continued positive work with the Trust's investment advisor SEI.
- Continued excellent coordination with Starion bank
- The Trust also continues to provide a valuable service to five (5) conservation groups by housing their funds and managing the fiscal aspect of their business.

General Administration

Kathy has upgraded a number of our basic administrative functions, including:

- Designing a new time reporting/summary spreadsheet.
- Updating standardized website content and Board of Directors access information.

- Frequent and relevant website updates.
- Review and analytic analysis of traffic on the NDNRT website.

General administrative accomplishments include:

- Finalized the Trust's 2017 – 2022 strategic plan.
- Adopted Trust policies on harassment, disruptive behavior and dispute resolution.

PUBLIC POLICY AND CONSERVATION FUNDING

As in years past, the Trust often acts as a facilitator among partners and various stakeholder groups to encourage support and funding for conservation efforts. The past year included the following:

Consensus Building

- The Trust, working with a number of partners including Ducks Unlimited and The Nature Conservancy, submitted a grant to the Bush Foundation to move the Consensus Building project forward. The grant application was unsuccessful. Bush Foundation staff had several follow-up discussions with me; they remain interested in our concept and offered a number of suggestions about future pursuit of our idea.
- I have had several discussions with agricultural groups, including the ND Soybean Growers, the ND Corn Growers and the ND Grain Growers, about possible involvement in the Consensus Building effort. All seem interested.
- Working with partners, we have been exploring a more neutral option for funding and leading the Consensus Building process. It is felt by a number of partners that the ND Grazing Lands Coalition would be an ideal facilitator. NDGLC is undergoing some major organizational changes at present, so no decisions have been made.
- An effective Consensus Building process remains both an interest and a need. Work will continue to find the right mix of leadership, participants and funding.

Farm Bill

- The Trust continued to be involved in all aspects of 2018 farm bill discussions. I remain involved in national policy committees of AFWA and the NGPWG locally. We are collectively advocating for increased acres for CRP and maintaining or expanding other conservation programs. We are strongly advocating a more “working lands” focused approach. Retention of Swampbuster, Sodsaver and Conservation Compliance remain top priorities.
- The Trust, along with agricultural and conservation partners, were actively involved in a CRP subcommittee established by the NRCS State Technical Committee. The subcommittee's work involved:
 - Examining the CRP emergency use criteria and process.
 - Reexamining the Primary Nesting Season (PNS) dates for ground nesting birds with regard to how those dates affect both emergency and mid-contract management use of CRP.
 - Identifying and advocating for consistency in both emergency use and mid-contract management across all CRP practices.
- The Trust remained a major partner with NDASCD and a broad range of agricultural and conservation partners in the Farm Bill Specialist Program. Under our current agreement (which runs through Sept. 30, 2018) the Trust has a funding commitment of \$7,000 per employee for up

to 8 positions, with 15% of funds available for administrative costs. Next to NRCS and NDGF, the Trust and the ND Soybean Council are the major funding partners.

- As we've discussed at several board meetings, the Farm Bill Specialist partnership is not going well under NDASCD leadership. Several partner organizations need more and better fiscal reporting and accountability, which have been resisted by NDASCD staff. The advisory board for the partnership (of which I am a member) has not met. There was agreement that the entire partnership should meet, but that has not occurred and there is no apparent movement by NDASCD staff to arrange such a meeting. At the time of this report the ND Soybean Council has notified NDASCD and partners they are discontinuing participation. NDGF has been told by NDASCD staff that they are no longer welcome as part of the partnership. The Trust will honor its contractual commitment through September 30, 2018.
- The Trust, NDGF and ND Soybean Council partnered with the SCD Employees Association in submitting a Cooperative Conservation Grant request to NRCS; the grant request was successful. Among other things, this grant will provide funds to SCD's for farm bill program support to producers using existing or additional staff that work directly for the respective SDCs. It is possible this will become a replacement delivery mechanism for farm bill support when our NDASCD agreement ends on September 30.
- The Trust was a Gold level sponsor of the NDASCD 2017 annual convention. In addition to highlighting the farm bill specialist partnership, the Leopold Award was also presented to Ken and Bonnie Miller.
- The Trust continued our funding agreement with PF, providing flexibility to PF staff in the following areas:
 - Their innovative Precision Ag project.
 - Their State Coordinator position.
 - Their Women in Conservation Program and recently hired coordinator.
- The Trust continued our funding agreement with DU for delivery of both farm bill and the full range of private land conservation programs available from partners.

The Outdoor Heritage Fund (OHF)

- The Trust and partners worked continually to examine OHF funding opportunities (see below for details of several successful grants obtained during the past year).
- Kathy has been in communication with Andrea from the NDIC and has done outreach to promote awareness and education of OHF availability, encouraging applications and started a "support page" for applicants tied to our website.
- Extensive governance challenges remain for the OHF. The OHF board continues to lack a strategic direction, priorities, a grant scoring system and a consistent approach to funding allocation. The Trust and partners will continue to work with the Governor's office, the Industrial Commission and directly with board members to improve OH governance.

ENERGY

Oil and Gas

Bakken activity has increased substantially over the past year. Efforts to improve public policy around oil and gas development, as well as avoid, minimize and mitigate landscape impacts continue:

- Continued work with staff and partners on Energy Working Group and Elkhorn Coalition.
- On December 17, 2017 Energy Transfer Partners, through Dakota Access LLC, provided the Trust a voluntary contribution letter and a check for \$449,500 to do work to enhance the status of the

threatened Dakota skipper. As per Dakota Access LLC's request, the fund will be matched in some manner (see description of OHF proposal below).

- The Trust received a check for \$30,000 from Petro Harvester, an oil & gas company with holdings in Bottineau County, to implement conservation practices in Bottineau County. The work is being done through the USFWS Partners program.
- The Trust's "habitat plan" for dealing with surface impacts, prepared as part of the Covenant Consulting/BAG study work, was manifested in a successful OHF proposal (see below for details).
- Continued to work with the National Trust for Historic Preservation and other partners on strategies for protection of the Elkhorn Ranch Lands.
- Met with Attorney General Stenehjem to discuss the potential to revisit/strengthen provisions of the Extraordinary Places policy for oil/gas development.

Renewable Energy

Renewable energy in North Dakota remains nearly all wind energy. Federal tax credits combined with an open and somewhat confusing state regulatory structure have resulted in an explosion of wind energy development in recent years. As with fossil fuel based energy extraction, the Trust's role is to help industry, our partners and the State develop policy and process that avoids, minimizes and then mitigates unavoidable impacts to our land, air and water, as well as our agricultural and tourism industries. In the context, the year past has seen the Trust:

- Work diligently with agency, NGO and industry partners on habitat and species assessments to aid in siting decisions.
- Continue discussions with professional colleagues to review past work on science relative to wind farm siting and discuss strategy going forward to minimize wind farm impacts.
- Assisted NDGF and partners in their development of wind energy impact assessment tools and voluntary offset measures that address those impacts.
- The Trust received a check for \$50,000 from Novatus Energy for habitat work in the vicinity of their Sunflower wind project in Morton and Oliver Counties.
- The Trust was contacted by Enel Green Energy and we had numerous discussions regarding their interest in funding voluntary conservation measures associated with their Lindahl wind farm near Tioga. Enel was interested in providing \$180,000 for conservation work but to date has not followed up; the status of that voluntary donation remains unclear.
- The Trust and partners continue to examine North Dakota's regulatory structure at the state and political subdivision level to better understand and educate others on the process of approving and siting wind farms in the state.

TRUST SMALL GRANT PROGRAM

The Trust's small grant program was continued during the past year. Grant guidelines stayed similar to the past year, with emphasis on educational grants. The sum available was increased to \$75,000 for the 2018-19 grants. Leading into the 2018 grant round, Kathy made the following amendments from previous years:

- Revised small grant information and developed a "survey" form for grantees to report success.
- Created a promotional flyer and emailed the flyer out to biology departments, 4-H groups & other clubs.
- Revised the small grant RFP and contract language with more specific criteria on length of project, contract terms and reporting/reimbursement submissions.
- 14 grant proposals were received by the March 31, 2018 deadline totaling \$106,424 in requests.

- Trust staff reviewed grants and made funding recommendations to the Board. At the May 2018 Board meeting:
 - 12 grant proposals were approved totaling \$75,000 (two were multi-year grants, so an additional \$13,500 was approved for 2019).
 - 1 grant proposal (from NDGLC) was removed and will be dealt with as a partnership agreement.
- Grant agreements now limit award timeline to 18 months unless approval for an extension is received from the Trust

LAND AND HABITAT

Outdoor Heritage Fund Proposals

I discussed the status and funding strategies related to OHF above. This discussion focuses on the actual projects funded and on-the-ground work achieved through OHF partnerships

The Trust has been very successful in utilizing OHF project funding. All Trust staff members have contributed in various ways in writing and presenting OHF grant proposals and delivering OHF dollars. Trust staff has also helped multiple partners with OHF strategy and grant writing assistance.

Trust has been an applicant or co-applicant on successful OHF grants totaling \$5,419,454. Since these are often fairly large, multi-year projects with payments continuing for 2-3 years I'll continue the summary of all Trust OHF grants that we began in last year's annual overview:

Water Storage Piggyback Program (Round 2 – Spring 2014)

- Wetland restoration incentives – OHF approved \$300,000; Trust \$100,000 (\$75,000 WSP and \$25,000 in-kind); Trust actual WSP match was \$84,200.55 plus \$25,000 in-kind.
- All funds were obligated by spring 2016 in 44 landowner agreements, signed in 19 different counties.
- Accomplished 104 wetland basins and 578.1 acres restored.
- The project was complete by the end of 2017.

Beginning Farmer Enhancement (Round 5 – Summer 2015)

- Total project \$257,442 – OHF approved \$132,884; Trust \$67,888 and Landowner \$55,144.
- 4 landowners in Mercer, Burleigh (2) and Dickey Counties. Project assisted with livestock grazing infrastructure.
- The project was complete by the end of 2017.

Working Grassland Partnership I (Round 6 – Fall 2015)

- Total project \$2,079,562 – OHF approved \$1,097,250; Trust \$200,000; Partners \$90,000; Landowners \$694,925.
- WGP agreements signed with 41 landowners representing over 17,000 acres.
- All funds were obligated by the end of 2017 and will be spent by the end of 2018.

Grasslands Enhancement Project (Round 8 – Fall 2016)

- Ducks Unlimited was applicant, with the Trust as a co-applicant.
- Requested \$241,529.40 in funding from OHF; approved for \$230,000 from OHF with partners bringing \$122,832 in cost share.
- The first of two projects have been completed on a WPA in McLean County.

Wetland and Grassland Restoration (Round 9 – Summer 2017)

- OH funded grass seeding but not wetland restorations.
- Total project \$140,000 – OHF approved \$67,500; Trust \$21,875 and Landowners \$50,625.

Grand Forks Prairie Management Toolbox (Round 9 – Summer 2017)

- OH funded grazing systems, prairie restoration, and woody removal.
- Total project \$250,420 – OHF approved \$121,220; Trust \$12,000; NDGFD \$200,000; and Landowners \$40,200.
- Dakota Audubon is coordinating all grant activities.

Working Grassland Partnership II (Round 10 – Fall 2017)

- Additional funding for original WGP with addition of 4 counties in the southeast.
- Total project \$1,742,750 – OHF approved \$903,750; Trust \$175,000; and Landowners \$600,000.
- OH Advisory Board removed the \$30,000 staffing request.

Bakken Development and Working Lands Program (Round 11 – Spring 2018)

- Energy Impacted Counties – grazing systems, grass seeding, reclamation, and nature parks.
- Diverse partnership including – Dept. of Mineral Resources and ND Petroleum Council.
- Total project \$3,845,000 – OHF \$2,170,000; Trust \$200,000; DMR \$300,000; USFS \$215,000; and Landowners \$460,000.
- NDIC approved June 2018.

Working Grassland Partnership III (Round 11 – Spring 2018)

- Funding for WGP concept of expired/expiring CRP; this grant covering the remaining counties in the northeast.
- Total project \$743,250 – OHF \$396,850; Trust \$70,000; and Landowners \$256,400.
- NDIC approved June 2018.

Cavalier County (Clairmont Family Trust) Project

Trust staff was privileged to be part of another successful partnership project, with critical aspects of the Clairmont Family Trust project completed during the past year. This project involved a 160 acre land acquisition adjacent to Tetrault State Forest by the American Foundation for Wildlife.

- Final state government approvals for the acquisition were obtained June 25, 2018.
- The acquisition will culminated in a closing scheduled for the end of July, 2018.
- The property will be transferred to ND State Forest Service by the end of 2018.
- The Trust and partners will plan and coordinate a dedication in 2019.

Grand Forks County Prairie Partnership (GFCPP)

The Trust continues to be an active partner, promoting grassland retention and management in this unique landscape:

- With assistance from the Trust, the GFPP received an RCPP grant to implement grass seeding and grazing strategies in the Grand Forks region.
- The Trust contributed \$2,500 cash and \$12,500 in-kind to assist with outreach and educational tours and events for the project.
- Jesse has been active in planning a tour for August 2018 and providing a summary report to the grant.

- Jesse is coordinating the 5-year partnership agreement and signatures with all partners involved in the GFPP.

Trust Property

The Trust Kenner Marsh property in Ramsey County continues to be managed under long-term agreement with the North Dakota Game & Fish Department. CRP contract acres have been seeded to tall grass native species.

Audubon Grass Feed Beef

The Trust has made a sizeable commitment to help support the innovative, market based approach embarked on by Audubon and a diverse number of partners. During the past year Jesse attended the Audubon Grass Fed Beef Program Conference in Rapid City, SD.

North American Wetland Conservation Act (NAWCA)

The Trust plays a unique and active role in the NAWCA process both in North Dakota and nationally. We are involved in governance issues, funding and project development. We provide Council staffing and are active board members on two (2) joint ventures.

Staff Support

The Trust continues to play the unique and valuable role of providing staffing for Game & Fish director Terry Steinwand as Central Flyway representative on the NAWCA council and the current Council chair. Rick Warhurst does an excellent job of assisting Terry with his Council duties as well as representing the prairies as a staff member scoring and advocating for projects.

Joint Ventures

Prairie Pothole Joint Venture (PPJV)

- I continue to serve and am currently the longest serving board member
 - The PPJV 2017 fall board meeting was to be held in Bismarck; it was postponed due to a government shutdown. An abbreviated mid-winter conference call was held instead.
 - Both Rick and I attended North American conference and PPJV management board meeting in Norfolk, VA in March, 2018.
 - I proposed a change in the chair positions of the PPJV; my proposal was adopted. Steve Adair from DU will be co-chair of the PPJV along with Region 6 FWS director Noreen Walsh.
 - Longtime PPJV coordinator Casey Stemler has accepted a different position with the FWS. The PPJV management board is in the process of filling that position.
- The Trust was able to offer the following in NAWCA matching funds over the past year:
 - USFWS small grant for grass seed - \$15,000
 - DU At Risk Wetlands - \$100,000
 - USFWS Drift Prairie VI - \$100,000
- Planning for the 2018 PPJV/ND Grazing Coalition is in full swing, with Kathy Kirschman playing a major role in the coordination. Trust board member Jerry Doan and other members of the NDGLC, along with other partners, are heavily involved in planning for the event.
- The Trust received the second installment of Conoco Phillips' three (3) year \$100,000 annual contribution to the PPJV. Terry continues to work with the PPJV coordinator handling administration of the funds for the PPJV.

Northern Great Plains Joint Venture (NGPJV)

During 2017 the Trust became a more active member of the NGPJV, with Jesse Beckers joining the management board. Our involvement continued during the past year:

- Jesse served on the Strategic Communication Plan subcommittee.
- Jesse and other board members worked to correct budget shortfall for the previous two years.
- The Trust provided match for two NGPJV projects during the past year:
 - Great Plains 9 for \$55,0000
 - Great Plains 10 for \$100,000

PARTNERSHIPS / OTHER CONSERVATION SUPPORT ACTIVITIES

- Terry attended the precision agriculture summit hosted by Pheasants Forever during the 2018 Pheasant Feast in Sioux Falls, SD.
- Terry and Rick attended the Midwest Association of Fish and Wildlife Agencies private lands meeting in Williston in May 2018. Terry made a presentation to the group on our Working Grassland Partnership project.
- The North Dakota Wildlife Federation held several Conservation Summits during the past year, pulling together nearly twenty (20) conservation partners and drawing participation from Congressional and Senate offices and the Governor's office. The Trust assisted NDWF with strategy, planning and administrative support and presented OHF background and current information.
- Terry and wetland contractor Dave Dewald worked with landowners and North Dakota Department of Transportation on a Mercer County wetland mitigation banking opportunity.
- Trust staff took the initiative, working with colleagues at the USFS and NDFS as well as numerous other partners, to review rules/regulations of the Forest Legacy Program (FLP). North Dakota is the only state that has not used FLP funds, and there are potential riparian projects (see Fisketjon project below) that could benefit.
- The Trust remains a co-sponsor and funding partner for the Leopold Award. The 2017 award was announced by Governor Burgum at a celebratory event for the 2016 winner, Black Leg Ranch, on October 12th. The 2017 award was presented to Ken and Bonnie Miller at the NDASCD annual meeting in December.
- The Trust co-sponsored the 3rd annual sporting clays event with the Legislative Sportsmen's Caucus in August of 2017. Rick attended on behalf of the Trust.
- Rick is the current president of NDCTWS and Terry has provided substantial assistance to the NDCTWS during the past year. Keeping this important professional group relevant and credible is important to the Trust's work and that of our conservation colleagues. The Trust:
 - Filled the president's role.
 - Assisted the NDCTWS in the transition between treasurers, updating and maintaining NDCTWS books until next Treasurer is ready to start.
 - Completed the annual audit committee activities and report.
- The Trust executed a contribution agreement with NRCS for monitoring Wetland Reserve Program easements in northeast ND in 2018, 2019 and 2020.
- The Trust completed the Carol Aaron Going-Away Conservation Challenge payment with Trust match. These funds paid for long-term protection grassland and wetland habitat.
- The Trust facilitated and handled the funds for the Karen Kreil Conservation Challenge. At Karen's retirement friends and colleagues provided financial gifts; Karen matched those dollars. The combined funds were used towards purchase of a grassland easement by DU in Burleigh County.

- The Trust was a partner and co-applicant with the US Forest Service on a Joint Chief Grant proposal to assist in grassland management on private land adjacent to Sheyenne National Grassland.
- Trust staff coordinated the annual partner contributions from the ND Conservation Fund and Foundation.
- The Trust had ongoing discussions with the National Fish and Wildlife Foundation (NFWF) about partnerships and potential funding. NFWF has been engaged with the ND Petroleum Council and has a specific interest in habitat protection and improvement in the Bakken region.

Private Citizen/Partner Conservation

Among the more interesting and rewarding aspects of the Trust's work is the opportunity to assist both private citizens and partners (agencies and NGOs), with unique aspects of land protection and conservation. There were both new and ongoing activities in this area during the past year:

- The Trust and NDGF have been involved in discussions regarding conservation uses of land owned by the Fisketjon family. The land consists of about 94 acres of Missouri River riparian habitat just north of Bismarck. The family would like the land to remain as undeveloped open space. As the Trust and other partners explore potential easement or purchase options, NDGF has entered into a three year access agreement for controlled youth hunting opportunities.
- For some time now the Trust has been assisting Dick Monson, a retired farmer from Valley City, implement his private long-term conservation strategies. In addition to providing Dick conservation advice and options and arranging and covering the cost of appraisal services, we have arranged for Rod Backman's services to assist with estate and tax planning services. The Trust covers the cost of Rod's time for this private landowner assistance. Dick has a particular interest in assisting the US Fish & Wildlife Service (FWS) with their work in southeast North Dakota. Dick has already purchased one piece of property in Barnes County. The dollars for the grassland easement on the property were donated to the Arrowwood Wetland Management District; the property was donated to FWS in fee title. Dick is already at work on a second piece of property. The Trust will continue to provide the same support services for this and any subsequent private conservation transactions.
- Trust staff participated in a strategy discussion convened by The Nature Conservancy to explore ways to provide financial assistance to beginning farmers and ranchers. Also in attendance were representatives from Starion Financial, Bank of North Dakota, and Ducks Unlimited. The concept has similarities to the Trust's original Beginning Farmer program, namely finding innovative ways to financially assist young producers in exchange for long-term conservation gains. Current costs for land and agricultural inputs make this a significant challenge. There is interest from some major financial backers that could put tens of millions of dollars into this conservation model if risk assessment and rate of return analysis is acceptable.
- In October 2016 I participated in a field tour and social evening with a group of potential Audubon donors arranged by Marshall Johnson and Audubon Dakota. I was one of several who provided transportation and spoke to the group. In early June, Marshall informed us of some amazing success; Brad Freeman, one of the tour guests, has made a \$1 million dollar gift to Audubon Dakota by launching the Freeman Waterfowl Conservation Fund. It was our privilege as Trust staff to attend a recognition event for Brad in Oct. 2017 at Doan's Black Leg Ranch. Governor Doug Burgum, a longtime friend of Brad's, attended and presented him with Audubon's Spirit of the Prairies award to recognize both his gift and his enduring support of conservation in North Dakota.