

NORTH DAKOTA NATURAL RESOURCES TRUST

2022-2023
ANNUAL REPORT

INTRODUCTION

A lot of good things happened to the Trust, and in the world of conservation delivery, in the past year. Finances and existing staff were stable. The all-important Meadowlark Initiative “took flight” with the addition of the Meadowlark Initiative Coordinator. A new board member joined our ranks, bringing varied experience and a fresh perspective. With the help of Rachel Gooen and many partners, the Trust board and staff crafted a new 5-year strategic plan for the organization.

This year’s annual report will look and feel different than those of past years. We will utilize the well thought out goals of our strategic plan to track and report on organizational accomplishments. We will be much more concise and focused. The tried-and-true axiom that “less is more” will prevail. And as our strategic plan is complete and put into practice, we will test its assumptions and challenge the status quo. The plan is a living document, able to adapt to new and better ideas, current information, and new opportunities.

Goal A.

Utilize existing and develop new programs for the voluntary retention, restoration and creation of grasslands, wetlands and associated habitats. We will contribute to the retention of 100,000 acres and creation/restoration of 2,000 acres of grassland and wetland habitats throughout North Dakota.



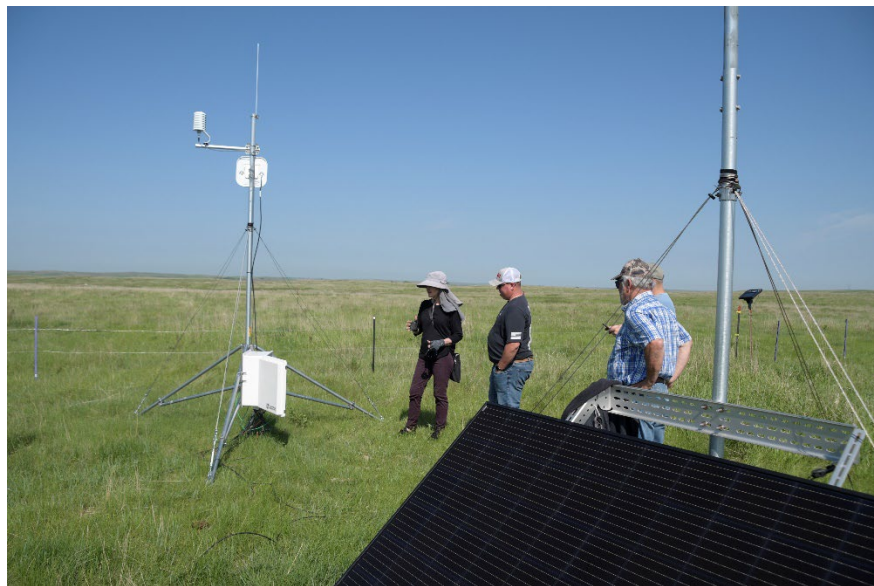
Raab Wildlife Management Area wetland restoration project through Livestock & Wildlife Dams OHF grant

- Developed State Wildlife Grant framework for mid-term land protection program that can be implemented by NDGF
 - Assisted NDGF in pursuit of NFWF funding to implement full blown mid-term protection program
- Continued to deliver voluntary conservation offset dollars from both oil/gas and wind energy companies for multiple conservation outcomes
 - * See offset funding chart in Appendix A
- Continued successful OHF funding applications including WGP6, Bakken, GRB, Dams, NDPWP3
 - Held informational sessions for OHF conservation board members and partners
 - * See full list of OHF funded projects in Appendix B
- Completed numerous wetland restoration and enhancement projects
- Coordinated Joint Chiefs project with USFS for removal of invasive woody vegetation on the Little Missouri National Grasslands

- Coordinated reclamation of abandoned energy sites as part of the Bakken project
 - Continued providing conservation advice to private land conservation efforts including Dick Monson, John Ruby, Chuck Peterson, Bill Wagner and others, and accepted restricted conservation gifts from landowners
 - Evaluated remote sensing options for project monitoring
 - Coordinated Trust grants through NFWF
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Goal B.

Convene with diverse stakeholders to champion the discussion on habitat loss with the intention of increasing awareness and appreciation of natural systems and crafting programs and policy which increase the adoption of ecologically and economically sustainable grass-based practices.



Terrestrial Carbon research study site in McKenzie Co., for the OGRC grant

- Continued participation in and support of the BAG effort in oil and gas producing counties
- Participated in NRCS STC meetings, working with partners on conservation initiatives with special emphasis on farm bill programs
- Worked on policy, data gathering and partner discussions to promote the value of terrestrial carbon storage as an incentive to create, restore and better manage grasslands
 - Created successful OGRC carbon research grant with a diverse partnership around acquisition of data useful to both the agriculture and energy industries, the results of which will inform and promote terrestrial carbon storage through grasslands

- Reviewed and signed on to TNC's "Natural Climate Solutions" report
 - Continue to participate in partnership strategy to promote terrestrial carbon storage to incentivize grasslands
 - Worked for supportive policy and distribution of funding for conservation including, but not limited to, RAWA, National Grasslands Act, America the Beautiful and IRA
 - Participated in discussions with Bank of ND on carbon storage, ESGs and things related to Governor's commitment to state carbon neutrality by 2030
 - Worked on 2023 farm bill to promote enhanced risk management and more and better conservation options in support of grassland agriculture
 - Worked with FSA and partners to develop a pilot incentive program for CCRP, with special emphasis on SAFE
 - Continued outreach to the energy industry through conference attendance, individual and group contacts, company contacts, work with the NDPC and partner networks
 - Participated in partner webinars on policy and program delivery
 - Coordinated ND Action Group meeting with large group of diverse partners
 - Highlighted Trust work at Outdoor Day at the Capitol during the legislative session
 - Coordinated events for NAWCA Council meetings in Bismarck
 - Partnered on creation of the Dakota Legacy Initiative
 - Participated on Central Grasslands Roadmap steering committee
 - Held strategic discussions with Starion Bank regarding assisting landowners with estate planning for conservation outcomes and promotion of regenerative ag practices
 - Assisted with Starion Bank's regenerative agriculture school
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Goal C.

Increase our financial support of projects which produce educational aspects around the value of prairie landscapes, healthy soils, and grass-based regenerative practices.



2023 NDGLC Summer Tour – Feiring Ranch

- Supported and participated in landowner recognition (ie. Leopold Award) as well as professional recognition that advances regenerative ag/conservation partnerships
 - Supported and promoted partner events such as ARS Friends & Neighbors Day, Wings Over Water and various state and local gatherings to promote conservation and all forms of regenerative agriculture
 - Delivered the Trust's small grant program
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Goal D.

Expand existing and develop new partnerships to capitalize on emerging opportunities. Our partnership involvement will result in the Trust directly impacting at least 20 projects that otherwise might not have been possible.



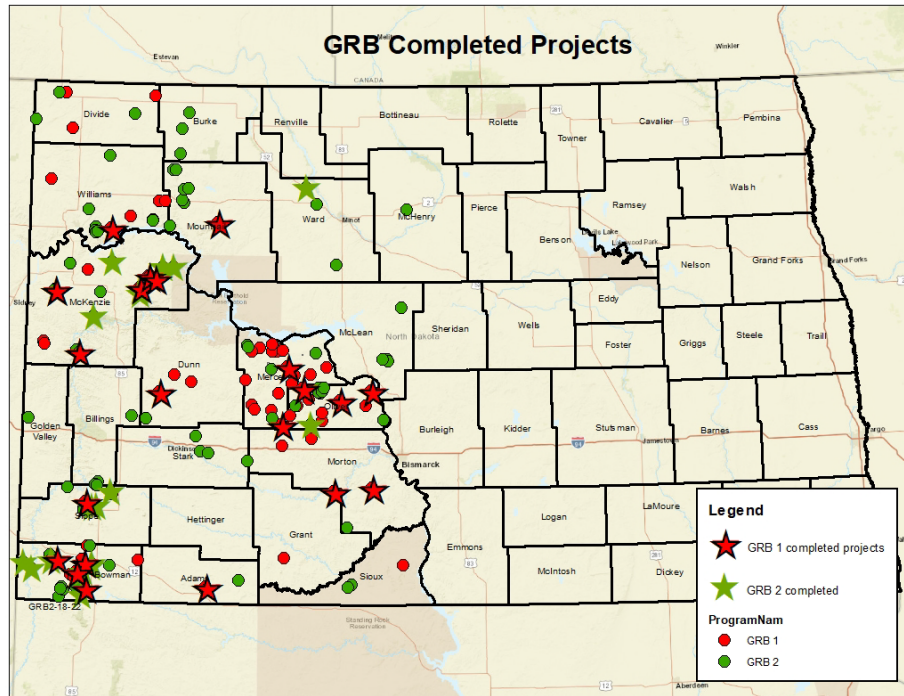
Hecht Family Land Partner Acquisition 2023

- Assisted NWTF, McLean County and NDWF with concept, writing and submission of their successful OHF grants
- Continued to provide advice and partnership support to the NDWF. With current available funding through donations, NDWF has become a valuable funding partner
- Provided extensive assistance to partners of the Rx Fire Cooperative in areas of staffing, grant writing and goal setting
- Utilized our leadership position in the ND Conservation Fund and Foundation and the ND Game & Fish Foundation to allocate dollars to conservation projects
- Facilitated collaborative partner events like the Fed Duck Stamp contest, field days and tours
- Continued partnership cooperative agreements with Audubon, DU, PF and NDGLC
- Continued NAWCA staff position in support of Central Flyway Council member, NDGF director Jeb Williams
 - Continued successful work supporting NAWCA council and grants, as well as providing both cash and in-kind match for NAWCA projects within the state
 - Read and scored NAWCA proposals and attended staff and council meetings, advocating for ND and the prairie pothole region

- Coordinated multiple projects and partner relationships for AFW, an incredibly valuable conservation funding partner
 - Continued to support Farm Bill Specialist positions through the NDASCDs
 - Facilitated Dakota Skipper informational needs through surveys, using voluntary conservation dollars from the energy industry and participation in the DASK Recovery Council
 - Implemented and promoted all aspects of the Meadowlark Initiative:
 - Facilitated the Meadowlark Initiative through RCPP/NRCS coordination, staffing, partnership dollars, administrative support, promotion and partnership communications including, but not limited to, state fair booth, landowner meetings, partner meetings, Outdoor Days at Capitol, landowner appreciation at Larks baseball game, multiple media articles and interviews, podcasts and ND Conservation Marketing Collaborative
 - Continued active partnership participation in joint ventures – PPJV and NGPJV
 - Created a new 5-year funding agreement with the PPJV, providing the Trust \$45,000 per year
 - Assisted partners with job interviews and important staff selections: NGPJV’s assistant coordinator, PF’s Rx Fire Coop coordinator and PF’s state coordinator
 - Participated in AFWA committees: Ag policy, Energy policy and Flyway and waterfowl working groups
 - Supported, promoted and participated in conferences and partnership initiatives that support overall conservation delivery, with special emphasis on grassland restoration, protection and enhancement of. Examples include NA conference, NDCTWS, AFWA, NDASCD, Grasslands Roadmap, and ND Dept. Of Agriculture’s Soil Health Program
 - Participated in Pollinator Working Group
 - Participated in work on the Turtle Mountain Forest Resource Plan
 - Continued to handle funds for multiple conservation partners including JVs, FWS projects, NDAG and others who’s work is consistent with our mission
 - Coordinated partner grants through NFWF
 - Supported/facilitated numerous partnership land acquisition projects in various stages. Some are complete, others will be completed in the coming year and others may not ever be completed. Examples include Clairmont Park, Area 4 Farm, Griggs Co., Painted Woods, Piehl land in LaMoure County, and the James Bruce McCullough Life Estate in Williams County
 - Facilitated a successful partnership and accomplished phase II (Hecht property) of the Painted Woods land acquisition project in McLean County
 - Prepared NDNRT letter of support for the nomination of Terry Steinwand to receive a 2023 Ducks Unlimited Wetlands Achievement Award. Sent the letter to Dean Smith of AFWA for submitting to DU. Terry received the award at the 2023 NA Conference
 - Submitted letter of recommendation, along with several other entities, for Rick to receive the TWS Distinguished Service Award. Rick will receive the award at the national conference in November
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Goal E.

The Trust will refine our administrative systems and processes to increase efficiency and our ability to collaborate with partners.



Example of a map created from our recently designed Geodatabase

- Completed strategic planning process
- Completed numerous tasks important to Trust's financial status, including:
 - Examined Line of Credit options and selected Starion Financial
 - SEI completed spending study
 - Updated investment policy
 - Completed cash flow analysis, determining income dollars from grants and amount needed from investment income
- Updated several organizational policies
- Examined insurance coverage. With potential work on control burns, expensive equipment being used for carbon study and more general activity, as well as evolving issues like cyber security, examination of coverage seems prudent
- Worked with contractor to develop a Geodatabase to store project data and display it in map format for reports, grant presentations and general outreach
- Successful NFWF grant provided support for salary/administrative expenses
- Utilized staff training for Teams/Planner in effort to better streamline our processes and collaboration
- Developed better client database and more efficient form generation to enhance efficiency of data entry and reduce duplication of effort

- Worked with tech provider to plan, quote and install a new computer server and firewall
 - Designed uniform clothing options, embroidered logo and ordered clothing for board and staff
 - Upgraded web site
 - Initiated quarterly board newsletter
 - Increased our administrative fee for handling partner accounts
 - Received an outstanding audit report
 - Updated position description and salary range for Conservation/Administrative Specialist position (Brenda) based on new duties and increased responsibilities. Pay adjustment was made effective April 1, 2023.
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IN SUMMARY

One need only look at grassland and wetland loss rates to be reminded that much work remains to be done. The most efficient way to do conservation is to protect existing habitat. The Trust, and all our partners, strive for that outcome as our first priority. But the reality is that we will never outrun the economic engines of production agriculture buoyed by robust risk management, energy production and land conversion for homes, businesses and recreational uses. But we can and do make a difference; a fact we should never underestimate. Keeping what we have, sometimes expressed as “no net loss”, is an outcome many conservation groups have come to terms with over the years.

That said, the past year saw a level of activity and conservation delivery that was unprecedented in the history of the Trust. In total, we spent over \$6 million, most of it on private land conservation. In the fourth quarter of 2022 alone, we delivered more conservation dollars than in most entire years. Perhaps most importantly, conservation dollars were available and demand for voluntary private land conservation was stronger than ever. The slow but steady growth of interest in regenerative agriculture, soil health, more sustainably grown food and more ecologically friendly agricultural practices are all encouraging signs.

Our newly adopted Mission Statement reminds us and others that the Trust will present “... practical conservation opportunities throughout North Dakota.” History is clear that agricultural producers will engage enthusiastically in voluntary practices that improve their operations, stabilize the financial and social structure of their families and strengthen their communities. The Trust is well positioned to assist agricultural producers in attaining all those outcomes.

Appendix A:

Offset Dollars Received by the Trust from Energy Companies				
<u>COMPANY</u>	<u>AMOUNT</u>	<u>PAYMENT DATE</u>	<u>SPECIAL REQUIREMENTS</u>	<u>Status</u>
Petro Harvester	\$30,000	9/27/2017	Committed to Partners for FWS	Expended
DAPL	\$449,500	12/12/2017	Benefit Dakota Skipper	\$219,000 expended- DASK survey's, grass restoration projects
Navatus Energy (Sunflower Wind)	\$50,000	4/30/2018	Grassland protection (native grass priority)	Expended-Raab WMA project
Tradewinds (Aurora)	\$150,000	8/22/2019	Wetlands, grasslands, waterfowl & whooping cranes	\$39,500 expended/committed- grass restoration in Williams, McKenzie, Mountrail Counties
Oneok	\$400,000	10/10/2019	\$100,000 for Dakota Skipper; \$300,000 for native grassland	\$279,000 expended/committed to- DASK surveys and grassland restoration. \$200,000 of the \$279,000 planned to SWG match.
Continental	\$330,000	9/30/2019; 10/18/2019; 1/27/21	\$50,000 for prairie reconstruction; \$30,000 for Skipper relocation; \$250,000 for DASK habitat and surveys	\$172,000 expended- DASK surveys, grass restoration
White Rock Oil & Gas	\$19,750	11/27/2019	Committed to BDWLP project	Nearly completely expended- wetland projects in Billings Co.
Oasis	\$50,000	12/17/2021	DASK projects	Unallocated
Crestwood	\$10,000	3/2023	Donation for DASK projects	Allocated to 2023 survey effort
Balance	\$1,489,250		Remaining Balance	\$578,634

Appendix B:

NDNRT - OHF Grant Submission History

		Request	Match	Total Project	Funded
Round 1	Working Lands Partnership	\$3,750,000	\$655,000	\$4,405,000	\$0
Round 2	Water Storage Piggyback	\$300,000	\$100,000	\$400,000	\$300,000
Round 3	Conservation Cover Pilot Project	\$3,525,000	\$1,175,000	\$4,950,000	\$0
Round 4	No application	\$0	\$0	\$0	\$0
Round 5	Beginning Farmer Enhancement	\$132,884	\$124,557	\$257,441	\$132,884
Round 6	Working Grassland Partnership	\$1,097,250	\$370,000	\$1,467,250	\$1,097,250
Round 7	No application	\$0	\$0	\$0	\$0
Round 8	Grasslands Enhancement Pilot Project (Co Ap)	\$241,529	\$197,152	\$438,681	\$241,529
Round 9	Grand Forks County Prairie Mgt Toolbox (Co Ap)	\$121,220	\$129,200	\$250,420	\$121,220
Round 9	Water Storage and Grass Seeding	\$292,500	\$207,500	\$500,000	\$67,500
Round 10	Working Grassland Partnership II	\$933,750	\$840,000	\$1,773,750	\$903,750
Round 11	Working Grassland Partnership III	\$396,850	\$346,400	\$743,250	\$396,850
Round 11	Bakken Development and Working Lands	\$2,170,000	\$1,675,000	\$3,845,000	\$2,170,000
Round 11	Dakota Skipper Habitat Enhancement	\$897,250	\$950,000	\$1,847,250	\$0
Round 12	Livestock and Wildlife Dams	\$138,850	\$138,500	\$277,700	\$138,850
Round 13	ND Grassland Restoration Project	\$104,500	\$150,500	\$255,000	\$104,500
Round 13	Dakota Skipper Habitat Enhancement	\$897,250	\$950,000	\$1,847,250	\$0
Round 14	Working Grassland Partnership 4	\$1,225,000	\$1,010,000	\$2,235,000	\$1,225,000
Round 15	ND Grassland Restoration Project 2	\$100,000	\$155,000	\$255,000	\$100,000
Round 16	No application	\$0	\$0	\$0	\$0
Round 17	Bakken Development and Working Lands II	\$3,308,100	\$3,053,283	\$6,361,383	\$3,308,100
Round 17	ND Partner for Wildlife Project	\$716,500	\$586,500	\$1,303,000	\$716,500
Round 18	Grazing Resiliency in the Bakken	\$1,290,000	\$860,000	\$2,150,000	\$1,270,000
Round 18	Wildlife and Livestock Dams	\$250,000	\$245,000	\$495,000	\$240,000
Round 19	Working Grasslands Partnership 5	\$985,000	\$872,500	\$1,857,500	\$985,000
Round 20	Grazing Resiliency in the Bakken II	\$1,970,000	\$1,310,000	\$3,280,000	\$1,970,000
Round 20	ND Partners for Wildlife Project 2	\$1,016,500	\$718,300	\$1,734,800	\$1,016,500
Round 21	Working Grassland Partnership 6	\$740,000	\$670,000	\$1,410,000	\$740,000
Round 22	ND Partners for Wildlife Project 3	\$1,947,500	\$1,444,500	\$3,393,000	\$1,947,500
	Total	\$28,547,433	\$18,933,892	\$47,732,675	\$19,192,433

*Bold denoted completed project

List of active Outdoor Heritage Fund grants:

Working Grassland Partnership I (Round 6 – Fall 2015) **DONE**

- Total project \$2,079,562 – OHF approved \$1,097,250; Trust \$200,000; Partners \$90,000; Landowners \$694,925.
- WGP agreements signed with 43 landowners representing 18,343 acres.
- All Trust lease payments completed.
- Development cost-share payments \$1,049,454.13
- Final

Working Grassland Partnership II (Round 10 – Fall 2017)

- Total project \$1,742,750 – OHF approved \$903,750; Trust \$175,000; and Landowners \$600,000.
- OHF Advisory Board removed the \$30,000 staffing request.
- WGP agreements signed with 42 landowners representing over 14,827 acres.
- All funds are obligated with signed agreements.
- Total of \$730,942 has been paid (\$169,058 remaining).

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, ND Petroleum Council & USFS.
- Total project \$3,845,000 – OHF \$2,170,000; Trust \$200,000; DMR \$300,000; USFS \$215,000; and Landowners \$460,000.
- 64 landowner agreements.
- Total of \$2,640,016 has been paid on projects.

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.
- WGP agreements signed with 26 landowners representing 6,863 acres.
- Total of \$317,874 paid (\$66,726 remaining).

Working Grassland Partnership 4 (Round 14 – Spring 2019)

- Total Project \$2,235,000 – OHF Approved \$1,225,000; Trust \$200,000, DU \$10,000 and Landowners \$800,000.
- WGP4 has signed 40 agreements on 22,352 acres .
- Total of \$886,512 paid (\$313,488 remaining).

North Dakota Grassland Restoration Project 2 (Round 15 – Fall 2019) **DONE**

- Total project \$255,000. OHF approved \$100,000, Trust \$33,000, PFW \$27,000 and Landowners \$90,000.
- 21 agreements for grass restoration have been signed.
- Total of \$94,872.23. Returned \$5,127.66 back to OHF
- FINAL

North Dakota Partners for Wildlife Project (Round 17 – Fall 2020)

- Total Project \$1,303,000 – OHF approved \$716,500, Trust \$59,000, PFW \$44,500 and Landowners \$443,000.
- Statewide program offering wetland restoration & creation, grass restoration, cover crops and grazing systems
- Fall of 2022 moved all grassland restoration cost-share to wetland restoration.
- 13 wetland agreements, 27 grazing agreements, and 11 cover crop agreements have been signed.
- Total of \$583,575 paid (\$122,925 remaining).
- The anticipated completion in 2024.

Bakken Development and Working Lands Program II (Round 17 – Fall 2020)

- Energy impacted counties plus three adjacent counties – grazing systems, grass seeding, plugged and abandoned well pad reclamation, State Park improvements, National Grassland improvements.
- Total project is \$3,308,100 OHF, \$150,000 Trust, \$2,802,783 other Partner funds.
- 86 individual agreements.
- All grazing system funds have been expended, within the first four months of the grant.
- Total of \$1,894,952 paid on projects.

Grazing Resiliency in the Bakken (Round 18 – Spring 2021)

- Energy impacted counties plus three adjacent counties – Fence and water developments
- Created in response to statewide drought with cost share being provided by landowner in-kind of 40%
- Total project is \$2,150,000: OHF \$1,290,000, Trust \$56,000
- 59 agreements have been signed and all funds are obligated.
- Total of \$512,025 paid (\$777,975.00 remaining).

Wildlife and Livestock Dams (Round 18 – Spring 2021)

- The project goal is to create, restore and enhance 20 wetlands totaling 112 acres.
- Total project is \$495,000: OHF \$240,000, Cash Match \$235,000, In-kind Match \$20,000
- Total of \$122,989.62 paid (\$117,010.38 remaining).
- 14 wetlands totaling 29.55 acres have been enhanced so far.

Working Grasslands Partnership 5 (Round 19 – Fall 2021)

- Fifth phase of Working Grassland Partnership
- Total project is \$1,857,000: OHF \$985,000, Trust \$212,500, Landowners \$640,000, Partners \$20,000
- 28 landowner agreements for 11,787 acres
- Total of \$566,471 paid (\$393,529 remaining).
- Expected to be completed in 2026

Grazing Resiliency in the Bakken II (Round 20 – Spring 2022)

- Expanded from GRB I in response to statewide drought with cost share being provided by landowner in-kind of 40%
- Total project is \$3,280,000: OHF \$1,970,000, Trust \$55,000, Other Partner funds \$1,255,000.
- Expected to enhance 35,000 acres of grazing systems and plant 2,500 acres cover crops.
- \$135,279.00 paid, 71 active agreements, 44,000 acres under agreement.

ND Partners for Wildlife Project 2 (Round 20 – Spring 2022)

- Second phase of the ND Partners for Wildlife
- Total project is \$1,734,800: OHF \$1,016,500, Trust \$53,600, Partners \$49,900, Landowners \$634,800
- 7 wetland agreements, 29 grazing agreements, 3 grass restorations, and 2 cover crop agreements have been signed.
- Total of \$433,172 paid (\$545,828 remaining).

Working Grasslands Partnership 6 (Round 21 – Fall 2022)

- Total project is \$1,857,000: OHF \$985,000, Trust \$212,500, Landowners \$640,000, Partners \$20,000
- 13 landowner agreements for 8,957 acres
- Total of \$67,820 paid (\$652,180 remaining).

ND Partners for Wildlife Project 3 (Round 22 – Spring 2023)

- Total project is \$1,734,800: OHF \$1,016,500, Trust \$53,600, Partners \$49,900, Landowners \$634,800
- Expected to plant 1,500 acres of cover crops, seed 240 acres of native grass, enhance 16,000 acres of grazing systems and restore 40 acres of wetlands
- Approved by NDIC June 29th
- Plan to sign landowner agreements starting mid-July.