

North Dakota Natural Resources Trust

Strategic Plan 2006-2010



Approved by the

**ND Natural Resources Trust
Board of Directors**

January 14, 2007

**NORTH DAKOTA
NATURAL RESOURCES TRUST**

**2006 - 2010
Strategic Plan**

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EXECUTIVE OVERVIEW

The North Dakota Wetlands Trust (Trust) was created by P.L. 99-294 in 1986 to assist in the preservation, restoration, management, and enhancement of North Dakota wetlands and associated upland habitat. Visionary stakeholders realized the delicate balance existing between ecological and economic forces and the need for a nongovernmental organization that could be innovative and pro-active, could mediate and demonstrate a new way of doing business. In December 2000, Congress enacted the Dakota Water Resources Act (DWRA - P.L. 89-108) which renamed the Wetlands Trust the Natural Resources Trust and expanded the Trust's mission beyond wetlands and associated upland habitat to include conservation of grassland and riparian areas.

The United States Bureau of Reclamation (BOR) gave North Dakota the initial \$12 million toward initiation of the North Dakota Wetlands Trust. Additional North Dakota money was pledged and is being added to the Trust annually, with the state contribution to total \$1.2 million.

Today, the North Dakota Natural Resources Trust oversees a trust fund of approximately \$13.8 million, with total cash assets of approximately \$16 million. Under the provisions of the DWRA, the federal government, through the BOR, will provide the North Dakota Natural Resources Trust an additional \$25 million. The money will accrue to the Trust as a percentage of the annual project appropriation. Over the period 2001-2006, the Trust has received \$1,441,000 of the \$25 million authorized by the DWRA.

In the 20 years of Trust existence, the organization has grown from a "managing" Board of Directors with a part-time contract manager to a policy-making Board guided by a strategic plan and supported by a professional staff of four full-time employees and one part-time. Since inception, the Trust has evolved from primarily a "granting organization" to one with a strategic plan that emphasizes achievement of perpetual natural resource benefits for future generations of North Dakotans to use and enjoy. The Trust has facilitated the following results:

Projects and grants completed for wetland, grassland, and riparian habitat conservation include:

- 47,856 acres of wetlands (preserved, restored, managed, and enhanced)
- 186,627 acres of grassland and riparian habitat (restored, seeded, protected, managed, and enhanced)
- 180,167 acres of conservation tillage/no-till
- 3,329.44 acres acquired by Trust
- \$148,323 in property taxes paid to local political subdivisions (counties, townships, school districts)
- 137 grants have been approved by the Board of Directors for \$4.7 million for wetland conservation and education
- 3,500+ landowners have been involved in Trust funded projects and grants
- \$3.6 million in direct landowner payments

It is for these stakeholders the North Dakota Natural Resources Trust focuses its mission:

North Dakota Citizens
Producers
Landowners
Taxpayers
Statewide Elected Officials
Legislators
Agricultural Organizations
Conservation Organizations
All Future Generations
Wetland, Grassland, and Riparian Area Inhabitants

MISSION STATEMENT

The mission is clear:

**“...To preserve, enhance,
restore, manage wetlands
and associated wildlife habitat,
grassland conservation
and riparian areas in the
State of North Dakota.”**

The Trust may only expend interest monies generated from the principal comprised of federal and state contributions. Today the principal amounts to approximately \$13.8 million, with total Trust assets of approximately \$16 million. Eventually the Trust will have an unspendable trust fund of \$38.2 million dollars.

Background and Rationale:

The North Dakota Natural Resources Trust (originally the North Dakota Wetlands Trust) was born out of conflict over the Garrison Diversion project's adverse impacts on the state's wetlands. In December 2000, Congress enacted the Dakota Water Resources Act (DWRA) which renamed the Wetlands Trust the Natural Resources Trust and expanded the Trust's mission beyond wetlands and associated upland habitat to include conservation of grassland and riparian areas. The expansion of the Trust through the DWRA was less compensatory and more proactive than the creation of the original Trust in terms of natural resource management. DWRA authors and supporters envisioned the potential for expanded natural resource development and protection to be beneficial for North Dakota agriculture, its citizens, and the state's quality of life.

North Dakota's wetlands are among the most biologically productive places on earth. Wetlands provide feed and water for livestock and wildlife. They provide food and resting places for migrating and nesting birds. Wetlands offer year-round habitat for resident creatures--from muskrats to pheasants. Wetlands also perform a variety of societal functions by holding back water reducing the chance of flooding, recharging aquifers, and filtering runoff to improve water quality.

Grasslands, especially native grasslands, are a habitat type perhaps even more adversely impacted than wetlands in North Dakota. North Dakota's native grasslands covered over 37 million acres prior to settlement, including about 35 percent of all the northern mixed-grass prairie in the United States. As of 1997, less than 12 million acres of the state's nonfederal lands were in native rangeland or grazing lands.

Tall grass prairie, which covered the Red River Valley in pre settlement times, has almost entirely been converted to cultivated agriculture except for a few remnant acres on private land and segments of the Sheyenne Valley National Grasslands in Richland County. Much of the mid and short grass prairie which predominated in the drift prairie and coteau, generally in association with wetland complexes, has been converted to cropland. Even in the slope country south and west of the Missouri River, native grassland has been broken at an alarming rate, often in response to poorly thought out features of farm programs that have provided financial incentives for poor land stewardship. Much of the land broken in the coteau and slope is steep, with light soils, poorly suited to cropping. Healthy, functioning grassland complexes are as important, if not more important, than wetlands in controlling water runoff, positively influencing water quality and holding soil in place.

Riparian habitat has always been in short supply in North Dakota. North Dakota has fewer total woodland acres than any other state. Many of our prairie water courses have either intermittent or very low flows, limited flood plains and support marginal riparian forests easily damaged by natural disaster, disease, or overuse by livestock.

Well over 90 percent of North Dakota's lands are privately owned. It goes without saying that habitat improvement and protection of wetlands, grasslands, and riparian areas require

cooperative work between government, the nonprofit sector, and private landowners. The Trust is in a unique position to carry out some of this work itself but perhaps more importantly has the ability to facilitate the education and relationships necessary to plan and implement sound private land conservation among many partners.

A six-member Board of Directors is mandated by federal law--three members are appointed by the governor of North Dakota, one member is appointed by the National Audubon Society, one member by the National Wildlife Federation, and one member by the North Dakota Chapter of The Wildlife Society. In addition, the Trust has appointed the North Dakota Game and Fish Department director as a nonvoting ex-officio director to the Trust.

The Trust is not part of government, it is a nonprofit, citizen-directed organization. Board members are citizens representing North Dakota's wetland, conservation, water, and agricultural interests. The Trust Board can be innovative and has many options:

- The Trust can acquire land.
- The Trust can obtain conservation easements.
- The Trust can acquire water rights.
- The Trust can fund incentives for conservation practices by landowners.
- The Trust can work to improve natural resource conservation techniques.
- The Trust can work on cooperative projects with private landowners, conservation groups, and government agencies.
- The Trust can help children and adults learn and understand why wetlands, grasslands, and riparian areas are so important to North Dakota's economic future and our citizen's quality of life.

Inherent to any strategic plan developed for the North Dakota Natural Resources Trust is the reality of limited fiscal and staff resources. This reinforces the irrefutable truth this organization "can do just about anything, it just can't do everything."

Responsible action then requires established priorities, focus, and a role for the Trust that is well defined, yet continually challenged. We must ask these questions:

"What can we do that others can not?"

"What can we do better than others?"

*"What are the current (and ever-changing)
windows of opportunity we should recognize and act upon?"*

*“What can we do that,
in retrospect, will cause citizens to say
the Improvement in our Wetland, Grassland, and Riparian Resources
would not have happened without the vision, leadership, and action
of the North Dakota Natural Resources Trust.”*

There are several areas of activity where the Trust might be considered “one of the crowd,” doing the same on-the-ground activity as others. Landowners and the general public may have difficulty distinguishing Trust work from that of others. That doesn’t make the Trust’s work unimportant. However, the question might be asked, “If the Trust was not doing this work, would it be done by someone else?” If the answer is YES, then the work in question is perhaps neither innovative nor unique.

The Trust Board of Directors recognizes that even though the Trust is a small organization, it can play a critical role in natural resource conservation for North Dakota. To do this, the Trust must carefully weigh which relationships, which projects and activities, and which strategic directions will pay the most perpetual dividends in the future.

The Trust must form partnerships with other agencies, organizations, and landowners which will sustain natural resource conservation and management. The Trust, however, must not only do what other agencies and organizations are doing because the need for innovative wetland, grassland, and riparian protection and management is too great.

The Trust can most effectively make a difference by restoring and enhancing wetlands, grasslands, and riparian areas and then transferring future management to responsible agencies, organizations, or individuals. This ensures the Trust’s financial resources are not over-encumbered by management and overhead costs.

STRATEGIC GOALS

Goal #1. To Improve Quality and Quantity of Wetlands in North Dakota.

Rationale:

Wetland “quality” is not a term easily defined. Research data exist that describe physical attributes of wetlands in terms of contribution to biological communities and wildlife production, contribution to water retention, ground water recharge, overall improved water quality, etc. The contribution of these attributions to the “big picture” is poorly understood.

Trust projects and grants that strive to improve wetland “quality” rely on two basic and generally accepted assumptions.

First, that naturally occurring and restored wetlands will remain functional over time, as long as their integrity as wetlands is maintained (they are not drained, tilled, or filled).

Second, that to maintain wetland functions over the long term, adjacent upland management needs careful attention. (The current number one cause of wetland degradation is sedimentation.) Optimum upland management for wetland health should involve either the maintenance of or restoration of grassland cover. If adjacent uplands are cropped, improved agricultural practices (such as minimum or no-till cropping) fall-seeded crops, or other practices should be used to enhance upland ground cover. These upland management practices will, among other things, hold snow for wetland recharge, reduce sediment flow into wetlands, and improve the quality of water entering wetlands.

Wetland “quantity” may have slightly increased in North Dakota in recent years due to a combination of three factors:

1. Federal regulations that tie farm bill benefits to wetland protection (i.e. Swampbuster),
2. Conservation provisions of the farm bill, such as the Conservation Reserve Program (CRP), that pay private landowners to restore previously drained wetlands, and
3. A wide array of private land conservation programs available through the Trust and other conservation partners that provide both fiscal and technical assistance to private landowners to engage in wetland restorations.

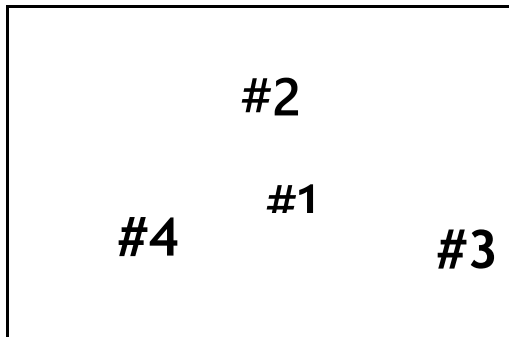
Dating back to the early 1960s, opportunities for wetland protection and restoration programs were pursued wherever they occurred. Little regard was paid to long-term prospects for conflict with agricultural interests, expected biological productivity, or overall efficiency of fiscal or staff resources required to initiate and maintain wetland protection. Also, data from conservation projects have reinforced the fact that it is much more efficient to protect wetland and related habitat from destruction or degradation than to restore them.

Newly developed mapping tools, combined with extensive data collection and analysis of wetland/upland ecosystem complexes, have provided the Trust and wetland protection partners the ability to make program delivery decisions which will enhance both fiscal and staff efficiency, reduce the chance of conflict with production agriculture, and increase the potential of maximizing successful biological outcomes.

With regard to wetland “quality” and “quantity,” efficiencies can be obtained by developing specific operational criteria. The focus of wetland restoration and protection programs should be based on a combination of physiographic regions, land cover types, watersheds, unique windows of opportunity created by social and/or environmental factors, defined biological outcomes, or any combination of factors that would pro-actively direct resources toward specific measurable objectives.

With these criteria in mind, the Trust will focus its conservation of wetlands and associated habitat in the following areas:

- #1 Priority - Coteau physiographic region
- #2 Priority - Drift Prairie physiographic region
- #3 Priority - Red River Valley
- #4 Priority - West River



Priorities:

The Trust will seek out and/or give higher priority to projects that:

1. Provide perpetual protection first and mid to long-term protection second to high quality wetlands and associated upland native grass complexes that require little or no restoration.
2. Restore wetlands and protect existing ones in poor quality land areas (due to soil type, slope, salinity, or some combination of factors), with a past cropping history but that have now been reestablished in grass.
3. Provide best cost-share programs.

Goal #2. To Improve Public Awareness of the Functions and Values of Wetlands.

Rationale:

Research data exist that document general attitudes of certain segments of the North Dakota population relative to wetlands. Some of these data, collected by the North Dakota Chapter of The Wildlife Society, the Agricultural Economics Department at North Dakota State University, and Ducks Unlimited, should be useful to the Trust in selecting audiences and designing approaches for public education and communication with regard to wetland conservation. However, no comprehensive attitudinal assessment exists to help shape public policy about wetlands or general water management in North Dakota. This limitation creates some challenges for the Trust in designing, implementing, and measuring the impact of an effective education and outreach strategy, and results in the Trust measuring inputs rather than measuring attitudinal outcomes with regard to public education and outreach.

Goal #3. To Increase the Level for Protection of Existing Native Grasslands in North Dakota.

Rationale:

North Dakota's landscape was historically composed of a divergent gradation of grassland habitat, from tall grass prairie in the Red River Valley, grading to mixed-grass prairie across much of the rest of the state, with some short grass prairie in the more arid portion of far southwest North Dakota.

We have lost approximately 25.5 million acres of grassland, and many of the remaining acres are in a degraded condition due to poor livestock grazing practices, inadequate management, or a combination of factors. Much of our former grassland has been converted to crop land and more acres are plowed up each year. USDA's National Resource Inventory (NRI) data shows an additional annual loss of approximately 9,000 acres per year to urban development in the state. In the years between 1982 and 1997 alone, North Dakota lost over one million acres of private grazing lands (including pastureland) or about 67,000 acres per year.

The extent and condition of grassland in North Dakota is integral to the Trust's mission. Grasslands, often in association with other important habitat types like wetlands, are the critical habitat component for many species of waterfowl, songbirds, and nonmigratory wildlife species. Many grassland-dependent species rely heavily on the breeding and nesting habitat in the upper great plains in general, and in North Dakota in particular, for their very survival.

Grassland is also integral to the health of the North Dakota economy and to our quality of life for a variety of reasons including, but not limited to:

- Grassland is at times the highest and best use of soils due to type, slope, etc.
- Grassland provides diversity to the agricultural economy with cattle, bison, and other ungulates that provide income diversity to the unstable environment of crop prices.
- Grassland retains snow melt and rainfall, often in association with wetland complexes, that reduces downstream flooding and minimizes wind and water erosion of the soil.
- Under the current and past farm bills, grassland agriculture reduces or eliminates government support payments, which escalate dramatically when marginal land is broken for cropping.
- Grasslands are necessary in order to achieve and protect the full potential value of our wetland habitat.

As with all other habitat types, it is far cheaper to preserve what remains than to try to restore something converted to other uses. While we know we can plant native seeds and create a facsimile of native cover, it has yet to be established scientifically whether the full diversity of true native prairie, often composed of 100 - 200 species of grasses and forbs, can be artificially recreated.

Priorities:

The Trust will seek out and/or give higher priority to projects that:

1. Retain and provide perpetual protection first and mid to long-term protection second to existing native grass tracts of => 160 acres in all physiographic regions, with special emphasis given to:
 - Tall grass prairie project opportunities due to the small amount of that grassland type remaining in the state.
 - West River grassland projects due to the lack of programs for that area and the opportunity to establish projects with new partners such as the Grazing Associations, US Forest Service, Rocky Mountain Elk Foundation, as well as private landowners not familiar with the Trust.
 - Protects grasslands in association with the most important wetland complexes.

Goal #4. To Restore Sub-marginal Crop Land (i.e. Poor Soil, Slope, etc.) Back to Grasslands in North Dakota.

Data on land capability are highly variable and subject to a great deal of interpretation. Poor soil productivity, excessive slope, salinity, and climate, as well as other variables, play a role in profitable agricultural use of land. Suffice it to say that there are many acres of current North Dakota farm land with a long cropping history that should have never been converted to cropland. Conversion of that land back to grass would enhance its profitability, landowner incentives, and other payments to keep the land in grass would benefit society.

Priorities:

The Trust will seek out and/or give higher priority to projects that:

1. Reestablish grassland cover on marginal crop land and provide perpetual protection first and mid to long-term protection second to the resulting grassland tracts of => 160 acres in the Coteau and Drift Prairie regions.
2. Reestablish and protect grassland cover or protect existing grassland cover around existing and restored wetlands.

Goal #5. Improve Public Awareness of the Value of Grasslands, especially Native Grassland.

Rationale:

Grasslands have traditionally been a poorly understood and under appreciated habitat type. Because the continent as a whole, the northern great plains, and in particular, states like North Dakota, had such vast expanses of grassland there has been a historic belief that there would always be plenty of grassland available. The pioneering spirit inherent in settlement of the

west encouraged people to break sod and put the land to a greater economic use. The poorest land that couldn't be broken for cropping due to slope, rocks, or other natural impediments has traditionally been the grazing or hay land in many agricultural operations.

Large, modern farm equipment has allowed the breaking of many grasslands tracts that in earlier times were impractical if not impossible to plow. Most unfortunately, inconsistent, short-term national farm policy has had an equally detrimental effect on the destruction of remaining native grassland. Even under the relatively enlightened 1996 farm bill, with conservation provisions far beyond any previous farm bill, the weak sodbuster provision still allows, if not encourages, the conversion of native grassland to crops, with the resulting marginal farm land further subsidized by the taxpayer.

Grasslands comprise the most productive ecosystems on earth. The history of wildlife use associated with grasslands of the open plains is as rich and dynamic as the stories of the tough, persistent immigrants who settled here. Native grasslands and the vast country where they remain need to take on as much allure and respectability and gain as much public support as old growth forests and striking mountain vistas. Our waterfowl populations and many of our migrant song bird species would not thrive, and some might not exist at all, without the grassland/wetland complexes of the Dakotas. We must begin to look at native grassland as part of our heritage, as a cherished ecosystem to be respected and protected.

Priorities:

The Trust will seek out and/or give higher priority to education projects that:

1. Enlighten the citizens of North Dakota about the importance of wetland associated grasslands to the protection of these aquatic environments from sedimentation and provision of nesting habitat for waterfowl and all other ground-nesting birds.
2. Demonstrate the economic value of grassland agriculture, both from an absolute standpoint, as well as a diversification standpoint.
3. Demonstrate the societal values of a healthy grassland ecosystem on improved air and water quality, as well as water retention and flood protection.
4. Articulate the importance (it's already well demonstrated through research) of native grasslands to the life cycle of many species of migratory birds and resident wildlife.
5. Demonstrate the economic value of grasslands to the hunting and eco tourism industry in North Dakota.

Goal #6. To Increase the Level of Protection of Existing Riparian Areas in North Dakota.

Rationale:

North Dakota is a prairie state. We have little woodland habitat of any type (ND has the smallest percentage of its land in trees of any state) and a very limited amount of wooded riparian zones. A good deal of riparian habitat that once existed along the main stem Missouri River was lost in the 1950s and 1960s with the closing of Garrison and Oahe Dams, respectively. Remaining riparian areas downstream of Garrison Dam are being lost primarily due to elimination of seasonal flooding and accelerated bank erosion resulting from unnatural releases of sediment-free water from Lake Sakakawea. Additional woodland habitat along the Missouri and Red is being destroyed, damaged, and encroached upon by urban development. Riparian habitat along many prairie rivers such as the Knife, Cedar, Cannonball, Souris, James, Sheyenne, Forest, Park, and Red is in jeopardy due to tree diseases, destruction by livestock grazing practices, and lack of regeneration due to a host of reasons.

Woodland habitat on the prairie is in jeopardy during the best of times. It is a struggle for trees, shrubs, and woody vegetation to find the moisture and growing conditions conducive to health, let alone habitat expansion. Potential does exist, however, to allow trees and shrubs to re-vegetate riparian areas cleared for agriculture or seriously damaged by disease, livestock grazing practices, or natural disasters.

Riparian habitat is a rare land cover in our prairie environment and has a host of intrinsic values due to its uniqueness and beauty. Riparian zones provide important ecological functions, including but not limited to natural bank stabilization, nutrient catchment and recycling, and sediment deposition. Rivers and streams protected by riparian zones provide municipal water sources for a number of cities and towns across the state. Certain riparian habitat may provide economic potential through utilization of forest products. Economic potential for eco tourism in the form of fishing, canoeing, birdwatching, outdoor photography, etc., certainly exists along some segment of all our riparian corridors.

Priorities:

Based on consideration of jeopardy and opportunity, the Trust has numerically prioritized the following riparian corridors:

1. Main Stem Missouri, from Garrison Dam to Bismarck-Mandan.
 - The riparian corridor along the Missouri is being significantly altered. Extensive real estate development near urban centers (enabled by the elimination of flooding after Garrison Dam was built) and habitat manipulation have resulted in loss of agricultural land, river bank erosion, loss of open space, reduced quality of historic sites, disruption of scenic vistas and, in general, loss and degradation of a unique habitat. In addition, the Main Stem Missouri has national and international significance as the travel corridor of the Lewis and Clark Expedition. Its historic and cultural significance is immense. As a result of the celebration of the Corp of Discovery's 1804-06 expedition, opportunities for

permanent land protection efforts along the corridor still remain that may never occur again.

2. Red River, along its entire length in North Dakota.

■ The riparian corridor along the Red River is also being impacted by real estate development in urban areas. Much of the Red's riparian zone, which is historically smaller and more fragile than that found along larger rivers, has been negatively impacted by land conversion for cropping. Many trees have been removed to facilitate farming. If land use were to change, the riparian habitat would, in many cases, regenerate over time. The Red River and its riparian corridor also have tremendous historical significance for the state. The Red and the land drained by it represent the first white settlement in North Dakota. The Red also has high potential for recreation and tourism development along the state's eastern boundary. Although not currently known as a scenic or recreation destination, a properly managed Red River and associated riparian corridor has potential for a unique brand of eco tourism and outdoor recreation as exemplified by its catfish fishery, which is highly dependent on a healthy riparian zone.

3. Little Missouri River, along its entire length in North Dakota.

■ The badlands country formed by the Little Missouri River is among the most scenic landscapes in the United States. It is being "discovered" by residents and affluent nonresidents at a rapid rate. Agricultural land is being purchased for recreational use, as sites for trophy homes, and for a variety of nontraditional uses. Viewsheds around Theodore Roosevelt National Park and historic Medora are being jeopardized, irreplaceable landscapes are being marred by indiscriminate and unplanned development, and, most importantly, the ranching industry is being pressured by land sales far in excess of appraised agricultural value. The scenario makes it very difficult for ranchers to compete for land to begin or expand operations. Prices paid by nonagricultural buyers are more than a rancher can afford to pay and have any hope of earning a profit from livestock grazing. Trust work along the Little Missouri River corridor could simultaneously address grassland conservation and make a significant contribution to protection of the natural ecosystem, as well as protection of a historic ranching industry and the traditional western way of life.

4. Sheyenne River, along its entire length.

■ The Sheyenne River and its valley is the "Little Missouri River" of eastern North Dakota in terms of scenic beauty. All efforts should be taken to protect its natural values from further human impacts.

The Trust will seek out projects that:

and/or give higher priority to

- Provide perpetual protection first and mid to long-term protection second to lands along priority riparian corridors for protection of agricultural lands, wildlife and fisheries habitat, open space, historic sites, and scenic resources.
- Reestablish trees and shrubs along priority riparian corridors.
- Provide physical protection and improved grazing practices (i.e. fencing woody vegetation to manage livestock, altering water and grazing systems to move cattle use away from impacted woody vegetation, etc.) to existing riparian areas.

Goal #7. Improve Public Awareness of the Value of Riparian Lands.

Rationale:

Agencies like the US Forest Service, ND Forest Service, Natural Resources Conservation Service, and nonprofit groups like the National Wild Turkey Federation, Ruffed Grouse Society, the Trust for Public Land, and the Rocky Mountain Elk Foundation have an interest and expertise in preserving and enhancing riparian habitat in the state. Programs are already under way to educate the public on the values of riparian habitat, as well as teach best management practices for health and viability of riparian habitat. Our most efficient initial option is to join forces with these entities and others in promoting management and preservation of riparian habitat and then use the Trust's unique ability/flexibility to help maximize stream zone restoration and protection in the state.

Priorities:

The Trust will seek out and/or give higher priority to education projects that:

1. Demonstrate the societal values of healthy riparian ecosystems for their natural beauty and historic, cultural, and open space values.
2. Demonstrate the economic value of riparian zones to the hunting and eco tourism industry in North Dakota.
3. Demonstrate the societal values of preserving agricultural land in riparian corridors, such as the Missouri and the Red, having high value for real estate development.
4. Articulate the importance of riparian habitat to the life cycle of many species of unique migratory and resident wildlife.
5. Demonstrate the value of riparian habitat as a source of improved water quality and reduction of flood damages.

Goal #8. Increase Public Awareness of the North Dakota Natural Resources Trust as an Organization.

Rationale:

No hard data exist with regard to the level of public recognition earned during the last 20 years by the Trust as an organization or to its perceived influence on wetland conservation and water management. However our previous and ongoing promotional work and involvement as an active partner in many programs as the North Dakota Wetlands Trust has made us a well known entity among agricultural and conservation groups, water management groups, state and federal agencies, policy makers, and landowners in geographic areas where we have an on-the-ground presence. Over the next several years, we will have the opportunity to clarify our expanded mission into grassland and riparian habitat management and engage existing and new partners.

The Board's short-term challenge will be to use our strategic planning process to clarify our priorities among the myriad of possibilities that exist within our expanded mission. Only after our direction is clear within our own organization can we effectively share our vision, goals, and objectives for improved grassland and riparian habitat management with others and promote our organization's proven past accomplishments and future potential ones.

Priorities:

1. Revise strategic plan to reflect our new mission.
2. Provide updated strategic plan to existing and potential partners.
3. Engage existing and new partners in dialog to further clarify NDNRT direction and explore partnership opportunities, both through Trust projects and grants to others.

Goal #9. To Maximize Utilization of Trust Resources.

Rationale:

The Trust has been an independent organization, with its own staff, for approximately eight years. Therefore, the organization's ability to set goals and objectives for its own fiscal and staffing efficiency must be tempered within such a short history and its added responsibility to address grassland and riparian habitats.

With regard to Trust fund management, systems are in place to provide benchmarks and evaluations toward the Trust investment efficiency on a quarterly basis.

One of the most important factors in project delivery efficiency is the decision whether certain work efforts be done by staff, by contract, or through grants to other entities. Efficiencies can be gained by utilizing a combination of the strategic plan (developed by the Trust Board) and an operational plan (developed by the executive director and staff). The use of these two documents help to generate specific guidelines resulting in measurable outcomes.

PROJECTS, GUIDELINES, and CRITERIA

There are a variety of tools the Trust can use to “preserve, restore, manage, and enhance wetlands and associated habitat, grassland conservation and riparian areas.” Most of the tools are not new--they have been used previously by other agencies, organizations, and individuals. The acquisition of land, purchase of conservation easements, short-term management agreements, and information/demonstration projects can all be used to permanently safeguard wetland, grassland, and riparian habitats for beneficial uses by current and future generations. Direct work with federal and state officials, legislators, and other policy makers is also an effective way for the Trust to remove or alter statutory or policy road blocks to achieving its mission.

The Trust uses these tools in three ways: Grants, Cooperative Projects, and Trust Projects.

Grants

Grants will be used by the Trust to fund projects developed by individuals, agencies, organizations, and cooperating groups. The Trust will provide full or partial funding. Project proponents will have the responsibility to plan, initiate, develop or construct, complete, evaluate, maintain, and report on the project to the Trust. Through the operational plan, the Trust may define specific geographic areas or subject matter for grant proposals.

Cooperative Projects

In cooperative projects, the Trust will partner with others to complete a specific project. The Trust may initiate the projects and seek partnership, or the Trust may become involved at the request or invitation of other partners. In cooperative projects, the Trust will share in the responsibility for project planning, initiation, development, completion, and evaluation with the partners.

Trust Projects

The Trust may see the need or the opportunity to complete projects entirely on its own. In those cases, the Trust will plan, initiate, develop, evaluate, and report on the project. Depending on the project, the Trust may hire engineers, contractors, realtors, attorneys, facilitators, and educators as needed to complete a project.

All work considered for Trust funding, whether grants, cooperative efforts, or self-managed projects, will be evaluated and ranked by the guidelines and criteria defined below:

On-the-Ground Projects

1. **Solution**--The proposed project should solve a problem, remove a potential threat, or take advantage of a unique opportunity.
2. **Cooperation and Partnerships**--The Trust emphasizes partnerships and collaboration in all its work. Seldom if ever will the Trust fund all aspects of a project. Project proposals that display a balance of funding, planning, and technical contributions from several partners will be looked at most favorably. Projects that engage agricultural and conservation interests in projects with shared financial commitment and participation in pursuit of mutually agreed upon goals are most desirable.
3. **Innovation**--Projects should strive to identify innovative approaches, relationships, and funding sources.
4. **Demonstrations**--Proposals and project concepts must provide appropriate biological data, literature reviews, engineering data, and public support to show the project can be completed and have its desired effect. Permit requirements and other agreements should be obtained, or clear plans to obtain them must be described.
5. **Continuation**--It must be clearly described how the project will be maintained for the project duration and how benefits will be continued in the future.
6. **Evaluation**--It must be clear how the success of a project will be evaluated. Proponents must identify (1) what measurement criteria will be used to evaluate the project, (2) how the project will be monitored or evaluated, (3) who will be responsible to the Trust for the evaluation, and (4) when the evaluation will be completed and provided to the Trust.
7. **Completion**--At the completion of the project, the Trust must be notified regarding units of accomplishment, final expenditure of Trust funds, any necessary follow-up work, and recommendations for the project or potential similar projects in the future.

Education/Public Awareness

1. Education--Projects must improve the understanding of the ecological and economic value of wetland, grassland, and riparian habitat and educate individuals about the need for sound management of these North Dakota natural resources for current and all future generations.
2. Stakeholders--Projects must identify a focus group of stakeholders, with special emphasis given to projects that focus on stakeholders identified in the Trust's strategic plan.
3. Scope--Projects must identify the physical scope and geographical delivery area with special emphasis given to those projects that focus in areas of special interest identified in the Trust's strategic plan.
4. Cooperation and Partnerships--The Trust emphasizes partnerships and collaboration in all its work. Seldom if ever will the Trust fund all aspects of a project, preferring that partners fund at least 25 percent of project costs. Project proposals that display a balance of funding, planning, and technical contributions from several partners will be looked at most favorably. Projects that engage agricultural and conservation interests in projects with shared financial commitment and participation in pursuit of mutually agreed upon goals are most desirable.
5. Innovation--Projects should be more innovative, efficient, acceptable, and successful than other approaches to similar projects or problems.
6. Evaluation--It must be clear how the success of a project will be evaluated. Proponents must identify (1) how the project will be monitored or evaluated, (2) who will be responsible to the Trust for the evaluation, and (3) when the evaluation will be done and provided to the Trust.
7. Completion--At the completion of the project, the Trust must be notified regarding units of accomplishment, final expenditure of Trust funds, any follow-up work necessary, and recommendations for the project or potential similar projects in the future.

In addition to the criteria previously listed, the following are standards which further help prioritize project and grant proposals:

On-the-Ground Projects Priorities

It is irrefutable that retention and protection of existing natural resource values is always cheaper and more cost efficient than restoration of values that have been lost. As such, the Trust's focus will always be identification and protection of intact wetland, grassland, and riparian areas in the following order of priority:

- _ Projects which provide **perpetual protection** of unique, high-quality wetlands, grasslands, or riparian areas at risk of being destroyed or degraded. *(An adequate management plan that includes costs must be prepared for all Trust fee title acquisitions prior to Board approval.)*
- _ Projects which provide **mid to long-term protection** of unique, high-quality wetlands, grasslands, or riparian areas at risk of being destroyed or degraded.

Restoration and enhancement of destroyed or degraded, previously occurring natural wetland, grassland, or riparian areas is the next most desirable and cost-effective natural resource protection strategy. The Trust will entertain project proposals that restore or enhance previously occurring natural wetland, grassland, or riparian habitats. Priority will be given to projects that not only reestablish habitat but provide protection of the restored or enhanced habitat, in the following order:

- _ Projects which restore or enhance unique, high-quality wetlands, grasslands, or riparian areas and subsequently provide **perpetual protection** of the restored or enhanced habitat.
- _ Projects which restore or enhance unique, high-quality wetlands, grasslands, or riparian areas and subsequently provide **mid to long-term protection** of the restored or enhanced habitat.

In addition to habitat protection, there is great value in projects that have significant educational, demonstration, or collaborative characteristics. These projects might be short term or even temporary in nature, but occur in a unique geographic area, embody techniques, or represent agricultural/conservation partnerships that in and of themselves make the project worthwhile. In this regard the Trust will entertain and even seek out:

- _ Temporary/short-term projects or programs with individuals or organizations for stewardship of wetlands, grasslands, or riparian areas and complexes which provide for potential perpetual and/or mid to long-term benefits or have lasting educational or demonstration value. *(The Trust prefers such temporary programs become self-sustaining within five years.)*

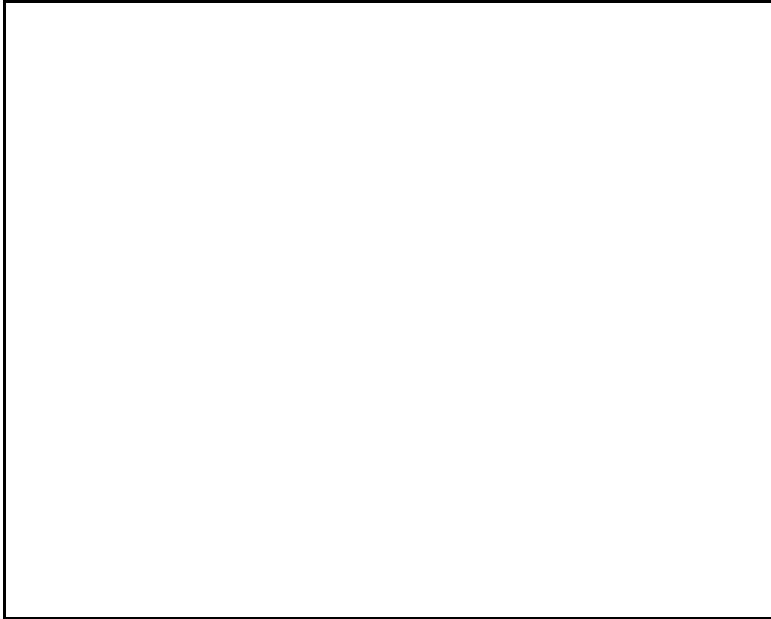
- _ Demonstration/education projects that involve new and innovative programs for the potential future protection of North Dakota's wetlands, grasslands, or riparian areas.

Educational Project Priorities

- _ Educational programs must have measurable results, such as the number of people reached, attendance at workshops or programs, and reaction or support for the protection of North Dakota's natural resource base. Higher priority will be given to education proposals that target stakeholders identified in the Trust's strategic plan.
- _ Outreach efforts that target producers in designated geographic, physiographic, or project areas designated in the Trust's operational plan.
- _ Outreach efforts that target youth (K-12) in designated geographic, physiographic, or project areas, or with specific curriculum, as designated in the Trust's operational plan.

HUMAN RESOURCES

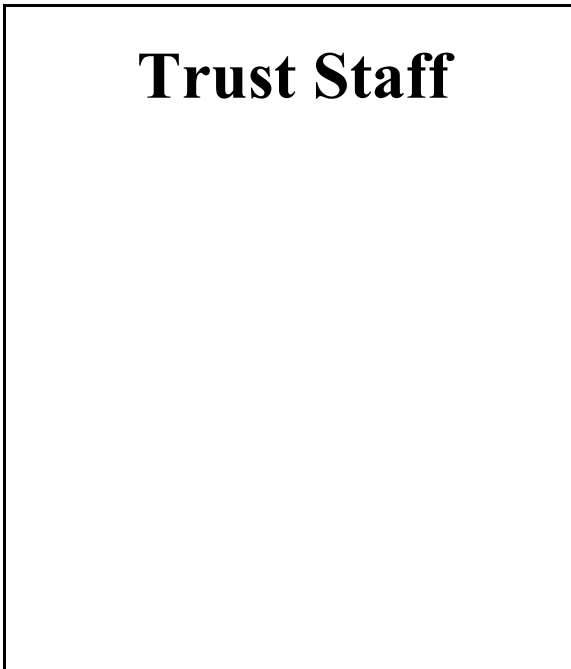
Board of Directors



Policy/

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Trust Staff



Role

Operations

FINANCIAL OVERVIEW

The Garrison Diversion Reformulation Act of 1986 called for the creation of a nonprofit corporation 501(c)(3) called the North Dakota Wetlands Trust. The Trust's funding was based on \$12 million in federal money. The state was required to contribute 10 percent (\$1.2 million). In December 2000, Congress passed the Dakota Water Resources Act (DWRA) which broadened the Trust's mission and allocated an additional \$25 million in federal dollars, tied to a portion of the DWRA annual appropriations, to the Trust. The Trust will eventually have an unspendable trust fund of \$38.2 million.

Federal Contributions

The original \$12 million federal contribution was made from 1987 to 1996. The DWRA has contributed \$1,441,000 of the additional \$25 million. These DWRA contributions, made by the US Bureau of Reclamation, are five (5) percent of the annual Garrison Diversion Unit budget for the Red River study and state MRI.

State Contributions

Payment of the state's 10 percent match began in 1986 and will continue until 2013. The state match is split between three entities: North Dakota Game and Fish Department, State Water Commission, and Garrison Conservancy District. To date, the North Dakota Game and Fish Department has provided \$339,060; the State Water Commission \$188,991.01; and the Garrison Conservancy District \$188,803.68. The total received is \$716,854.69 with a balance of \$483,145.40.

Investment Management

The Trust funds are currently invested and managed by SEI Investments, Inc., of Oaks, Pennsylvania. SEI has managed the Trust funds since 1999. SEI divided the investments into three accounts. The first account is the federal nonspendable funds. The second account is the state nonspendable funds, and the third account consists of all remaining spendable funds. All accounts use investment strategy approved by the Board of Directors in 2006 and provide protection against inflation by adhering to the spending policy previously adopted by the Board.

Budgeting

Budgets are developed by staff and revised and approved by the Board of Directors on an annual basis. In addition, budgets are estimated for the three to four ensuing years. The budget includes estimated cost of anticipated program delivery and management based on the strategic plan and estimated revenues by investment funds.

2006-2010 Strategic Plan Expenditure Projections

Additional Information

Grant Partnerships

US Fish and Wildlife Service
National Audubon Society
Delta Waterfowl
NDSU Extension Service
South Central Dakota Regional Council
LaMoure Co. Soil Conservation District
Dakota Zoo
Barnes Co. Soil Conservation District
Wells Co. NRCS
Turtle Mountain Soil Conservation District
Cass Co. Soil Conservation District
Coalition Conservation & Environmental Ed.
Turtle Mt. Environmental Learning Center
Griggs/Steele Co. Soil Conservation District
Rolette Co. Soil Conservation District
North Dakota Game and Fish Department
Logan Co. Soil Conservation District
ND Water Users/Water Education Foundation/
ND Water Coalition/Water Institute

Burleigh Co. Soil Conservation District
Ducks Unlimited, Inc.
North Dakota Dept. of Agriculture
Burke Co. Soil Conservation District
Emery Dam (Bruce Emery)
The Nature Conservancy
Walsh Co. Water Resource District
Wells Co. Soil Conservation District
Foster Co. Soil Conservation District
North and South McHenry Soil
Conservation Districts
North Dakota Consensus Council
McIntosh Co. Soil Conservation District
Sheridan Co. Soil Conservation District
Red River Regional Council
Mountrail Co. Soil Conservation District

Ongoing Agricultural Partnerships

North Dakota Farmers Union
North Dakota Stockmen's Association
USDA, Natural Resources Conservation Service

North Dakota Farm Bureau
North Dakota Department of Agriculture
Farm Services Agency

Ongoing Conservation Partnerships

US Fish and Wildlife Service
Delta Waterfowl
National Audubon Society
Prairie Pothole Joint Venture of the North
American Waterfowl Management Plan
North Dakota Conservation Foundation

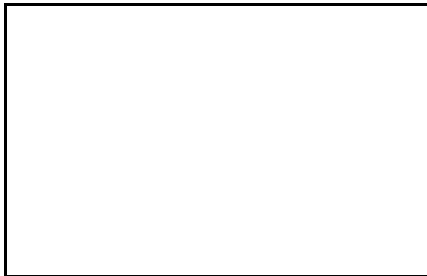
North Dakota Game and Fish Department
Ducks Unlimited, Inc.
Pheasants Forever
American Foundation for Wildlife
North Dakota Conservation Fund

Other Significant Organizational Relationships

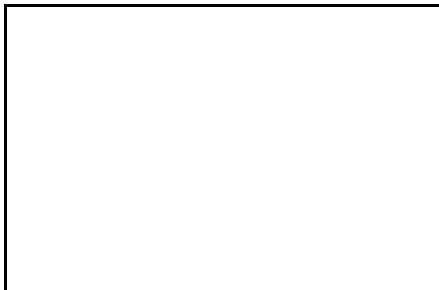
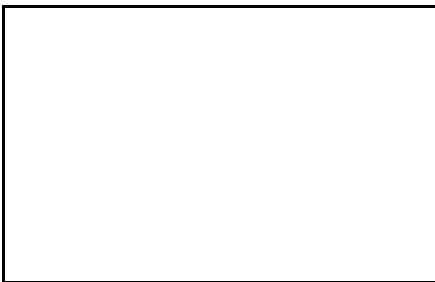
Environmental Protection Agency
Governor of North Dakota and Staff
US Bureau of Reclamation

Congressional Delegation and Staff
Garrison Diversion Conservancy District

Pictorial Accomplishments



The Trust continues to provide grants for the conservation of wetland, grassland, and riparian areas, as well as many educational grants focusing on wetlands and water quality, always focusing on unique opportunities that best leverage the Trust's contribution. The Trust Board of Directors has approved 20 grants for \$309,100 since 2001.



The Trust continues to provide wetland restoration incentives to landowners interested in restoring wetlands on their property. The Trust has paid incentives on 2,097 acres of wetlands with 238 landowners since 2001.



The Trust has acquired two properties in Wells and Pembina Counties. These properties were purchased in 2002 and 2003. The properties provide perpetual protection on 1,896 acres through the USDA's WRP program. The Trust has been a key partner in three acquisitions made by the American Foundation for Wildlife from 2001 to 2005. The Trust will transfer the properties to the ND Game and Fish Department in fee title for future management after restoration activities are completed. The first was an acquisition of 1,101 acres in Walsh County. The next two acquisitions totaled 1,487 acres located at the confluence of the Missouri and Yellowstone Rivers. The confluence acquisitions were facilitated by the Trust and involved 17 partners and two large grants. The properties will be transferred to the ND Game and Fish Department for future management.