NORTH DAKOTA GAME AND FISH DEPARTMENT

Interim Report
Wetland Restoration Loss of Production Payments (LPP) to Restore Critical Habitat for Species of
Conservation Priority in North Dakota
Project T2-9-D

August 1, 2010 - December 31, 2014

Terry Steinwand Director

Submitted by Greg Link Chief, Conservation and Communications Division Bismarck, ND

December 2014

Final Progress Report

Wetland Restoration Loss of Production Payments to Restore Critical Habitat for Species of Conservation Priority in North Dakota

SWG Project T2-9-R-1

August 17, 2010 to December 31, 2014

Terry Allbee North Dakota Natural Resources Trust March 2015

Wetland Restoration Loss of Production Payments to Restore Critical Habitat for Species of Conservation Priority in North Dakota

The primary objective of this project was to restore 250 acres of wetland habitat on private lands in North Dakota. The completion of the objective produced new habitat for wildlife species listed as Species of Conservation Priority. North Dakota's grassland and wetland habitat are important to many Species of Conservation Priority. Wetlands in North Dakota are continually being degraded via sedimentation and direct drainage. The

decrease in wetland abundance and loss of adjacent native vegetation has resulted in declines in biodiversity and listing of species in conservation priority levels 1, 2, and 3 in North Dakota's SWAP. The Loss of Production Payments (LPP) increased habitat quantity and quality therefore providing additional habitat for resident and migratory species, including species of conservation priority. The Trust partnered with the U.S. Fish and Wildlife Service's Partners for Fish and Wildlife Program to promote and identify the highest priority wetland habitat. The landowners willing to restore wetlands in North Dakota were offered a Loss of Production Payment to off-set the revenue lost from the agricultural production.

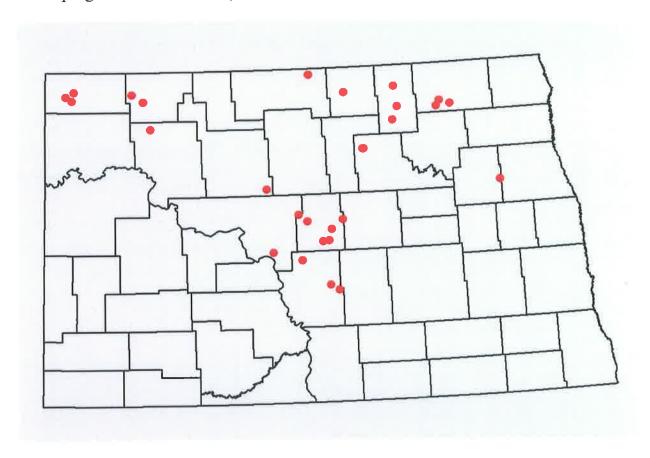
The Trust started the promotion and delivery of the Wetland Restoration Loss of Production Payments to Restore Critical Habitat for Species of Conservation Priority in North Dakota with a grant in 2010. The Trust visited with conservation partners on the implementation of the Loss of Production Program. The U.S. Fish and Wildlife Service (USFWS) is the primary partner in this project. The program required the landowners to enter into a Wildlife Extension Agreement (WEA) to restore wetlands on private lands. The WEA pays for the construction to restore wetlands. The Loss of Production Payment is then made to the landowner to off-set the cost of lost existing agricultural gains on the wetland surface acres that are being restored. Payments are based on a calculation of cash rents published by National Statics Service and equal approximately 40% of the agricultural cash rent value for the wetland acres restored. The contract length ranges from 10 to 30 years with a payment based upon surface acres and contract length. Once the wetland restoration was completed, the loss of production payment was made to the cooperating landowner.

Landowners traditionally make certain land management decisions based on their management goals for their property. The Trust and partners fielded calls throughout the no growing season from landowner interested in the Loss of Production Payment and answered questions concerning terms of agreement and compensation.

The majority of the construction was completed in late fall of each calendar year. This was a result of availability of contractor's capable of completing the work and suitable work conditions. During the timeframe of this grant, North Dakota experienced wetter than normal conditions, which required a fall dry up to complete the work. In addition, many of the wetland restorations were completed in cropland. Work could not be completed on these acres until the crop was harvested. The delay in weather and late crop harvest pushed many of the construction activity back until early winter and, in many cases, would not allow for the work to be done. After several extensions of the original agreement the grant achieved and exceeded the acreage goals.

This grant has been a successful partnership between federal, state, non-government, and landowners. The grant demonstrated that providing a layering of program concept with sufficient landowner compensation can be a very successful

approach. The delivery mechanism learned from this grant will help program with wetland restoration a template for success. In fact, the Trust submitted and was approved for a similar water storage piggyback grant through the North Dakota Industrial Commission's Outdoor Heritage Fund grant program in 2014. This grant would not have been possible if not for what was learned though this partnership on the State Wildlife Grants program and the delivery of the Loss of Production Payment concept.



The above map shows the locations of all the Loss of Production agreements in the state. The Trust entered into 28 separate agreements with landowners in 13 different counties. The agreements restored 136 wetlands for 277.50 acres.

NDNRT LOSS OF PRODUCTION PAYMENTS STATUS

| WEA No. | Wildlife Cooperator | PFW Initiator | Project Status | No. of Sites | No. of Acres | NRT LPP | LPP Pending | NRT Funds Remaining | NRT PAID | NRT DATE PAID |
|-----------------------------|----------------------------------|---------------|----------------|-----------------|-----------------|-----------|-------------|------------------------|--------------|------------------|
| SUMMARY | | | | 136.0 | 277.5 | 127,570.0 | \$0.00 | \$12,644 | \$127,550.00 | |
| 62620-10-024 | Olson, Ross | Duchscherer | COMPLETED | 5 | 45.5 | \$21,840 | | | \$21,840.00 | 12/31/2010 |
| 62830-10-026 | Soule, Tom | Collins | COMPLETED | 6 | 7.2 | \$2,160 | | | \$2,160.00 | 12/30/2011 |
| 62580-10-028 | Becker, Robert | Fisher | COMPLETED | 6 | 5.5 | \$3,300 | | | \$3,300.00 | 3/30/2012 |
| 62573-10-011 | Olson, Jim | Graue | COMPLETED | 4 | 5.4 | \$756 | | | \$756.00 | 8/31/2012 |
| 62580-10-027 | Cheatley, Mark | Fisher | COMPLETED | П | 3.0 | \$1,800 | | | \$1,800.00 | 12/31/2010 |
| 62540-10-020 | Miller, Don | Klindtworth | COMPLETED | 11 | 8.0 | \$4,320 | | | \$4,320.00 | 2/29/2012 |
| 62580-11-014 | Tony Wixo | Schoenfelder | COMPLETED | 5 | 8.98 | \$39,360 | | | \$39,360.00 | 11/30/2011 |
| 62560-11-002 | Stern, Virginia | Ellingson | COMPLETED | П | 5.9 | \$2,124 | | | \$2,124.00 | 12/30/2011 |
| 62540-11-002 | Lorenz, Kevin | Klindtworth | COMPLETED | 9 | 5.7 | \$2,394 | | | \$2,394.00 | 8/31/2012 |
| 62573-10-013 | Dihle, Donald | Graue | COMPLETED | П | 0.7 | \$252 | | | \$252.00 | 9/30/2012 |
| 62540-10-013 | Konschak, Blair | Klindtworth | COMPLETED | 4 | 2.1 | \$882 | | | \$882.00 | 11/30/2012 |
| 62540-11-001 | Maier/Bott Trust | Klindtworth | COMPLETED | 3 | 2.7 | \$1,218 | | | \$1,198.00 | 11/30/2012 |
| 62540-10-012 | Scheer, Fred | Klindtworth | COMPLETED | 1 | 7.8 | \$3,276 | | | \$3,276.00 | 11/30/2012 |
| 62540-10-015 | Scheffer, Rich | Klindtworth | COMPLETED | 12 | 4.1 | \$1,722 | | | \$1,722.00 | 11/30/2012 |
| 62560-11-005 | Larson, Marvin & Paul | Ellingson | COMPLETED | 5 | 7.3 | \$2,628 | | | \$2,628.00 | 9/30/2012 & |
| 62560-10-003 | Sveet, Janess | Ellingson | COMPLETED | 1 | 0.4 | \$144 | | | \$144.00 | 10/22/2012 |
| 62580-12-001 | VOLLRATH, ROB | Graue | COMPLETED | 11 | 5.3 | \$1,872 | | | \$1,872.00 | 10/19/2012 |
| 62830-12-003 | Schock, Rick | Collins | COMPLETED | 2 | 10.6 | \$1,060 | | | \$1,060.00 | 9/30/2012 |
| 62620-12-008 | Casavant, Stanley | Duchscherer | COMPLETED | ₽ | 5.3 | \$2,742 | | | \$2,742.00 | 9/13/2012 |
| 62540-13-011 | Erickson, Catherine | | COMPLETED | 3 | 13.2 | \$7,920 | | | \$7,920.00 | 12/31/2013 |
| | Washburn Park District | DO | COMPLETED | 3 | 16.7 | \$12,024 | | | \$12,024 | 10/31/2013 |
| 62580-11-012 | Krischuk, John | Graue | COMPLETED | 2 | 1.5 | \$720 | | | \$720.00 | 11/25/2013 |
| 62540-13-005 | Maier/Bott Trust | Klindtworth | COMPLETED | 1 | 0.4 | \$192 | | | \$192.00 | 1/31/2014 |
| 62560-13-010 | Helseth, Roger | Ellingson | COMPLETED | ₽ | 9.0 | \$48 | | | \$48.00 | 2/10/2014 |
| 62580-10-011 | Wells, John | Graue | COMPLETED | 18 | 10.2 | \$4,104 | | | \$4,104.00 | 10/31/2014 |
| 62580-14-004 | Overby, Richard | Graue | COMPLETED | 12 | 12.0 | \$7,200 | | | \$7,200.00 | 11/26/2014 |
| 62580-11-002 | Peterson, Dave | Graue | COMPLETED | 1 | 0.2 | \$84 | | | \$84.00 | 12/31/2014 |
| 62580-11-001 | Peterson, Ken | Graue | COMPLETED | m | 3.4 | \$1,428 | | | \$1,428.00 | 12/31/2014 |
| * NDNRT added | * NDNRT added \$10,000 7/25/2012 | | | | | | | | | |
| * NDNRT added | * NDNRT added \$2,597 8/24/2012 | | | | | | | | | |
| *SWG added \$1 | *SWG added \$12,597 8/24/2012 | | | | | | | | | |
| NDNRT | \$67,597 | | | | | | | | | |
| subtotal NDNRT (in-kind) | \$140,194 | | | | | | | | | |
| | | | | | | | | | | |

North Dakota Natural Resources Trust Loss Production Payment (LPP) Management Agreement

| Name: Dave Peterson | County: Benson |
|--------------------------------------|-------------------|
| Address: 2837 Colorado St. | Phone: |
| City, State, ZIP: Longview, WA 98632 | 1. |
| Cooperating Agreement: 62580-11-002 | County Rate: \$35 |

Wetlands Restoration Calculation and Record

| Legal Description | Contract Length | Restored Wetland Acres | Total |
|-------------------------------|--------------------|---------------------------|---------|
| T155N, R71W, Sec 13 W1/2SE1/4 | Prep | 0.2 | 84 |
| | | | |
| TOTALS: | | 0.2 | \$84.00 |

The landowner agrees the above payment will be for newly restored wetland acres. Final numbers, upon which actual payment will be based, will be determined by on-site field review. The ND Natural Resources Trust (Trust) will make payment to the landowner upon confirmation by the authorized representative that all restoration requirements are completed. Term of agreement is until the cooperating contract expires or is terminated, maximum length of 50 years. The landowner/producer who holds the contract remains obligated to the terms of this contract. If the contract is terminated before it expires, the landowner/producer will reimburse the ND Natural Resources Trust for the payment the Trust made to them.

| Landowner: | ND Natural Resources Trust: |
|------------|-----------------------------|
| | Jun Will- |
| | |
| Date: | Date: |

North Dakota Natural Resources Trust Loss Production Payment (LPP) Management Agreement

| Name: Ken Peterson | County: Benson | |
|--|-----------------------|--|
| Address: 2908 Washington Way | Phone: 1-360-270-7045 | |
| City, State, ZIP: Longview, WA 98631 | | |
| Cooperating Agreement: ND-62580-11-001 | County Rate: \$35.00 | |

Wetlands Restoration Calculation and Record

| | Contract | Restored Wetland | |
|--|----------|------------------|----------|
| Legal Description | Length | Acres | Total |
| T. 155 N., R. 71 W., Sec. 13 E1/2SW1/4 | 30 | 2.6 | \$1,092 |
| T. 155 N., R. 71 W., Sec. 13 E1/2SW1/4 | 30 | 0.4 | \$168.00 |
| T. 155 N., R. 71 W., Sec. 13 E1/2SW1/4 | 30 | 0.4 | \$168.00 |
| W-110-0-0-1 | | | |
| | | | |
| | • | | |
| | | | |
| FOTALS: | | 3,4 | \$1,428 |

The landowner agrees the above payment will be for newly restored wetland acres. Final numbers, upon which actual payment will be based, will be determined by on-site field review. The ND Natural Resources Trust (Trust) will make payment to the landowner upon confirmation by the authorized representative that all restoration requrements are completed. Term of the agreement is until the cooperating contract expires or is terminated, maximum length is 30 years. The landowner/producer who holds the contract remains obligated to the terms of this contractd. If the contract is terminated before it expires, the landowner/producer will reimburse the ND Natural Resources Trust for the payment the Trust made to them.

| Landowner: | ND Natural Resources Trust: |
|-----------------|-----------------------------|
| Fruitfine | Top Allho |
| Date: 5 7 . / 2 | Date: 12-11-19 |

North Dakota Natural Resources Trust Loss of Production Payment (LPP) Management Agreement

| Name: | Richard Overby |
|----------------|--|
| Address: | 1000 8th Ave. NW |
| City, St., Zip | : Austin, MN 55912 |
| | Agreement: USFWS Wildlife Ext. Agreement |

| County: | Caval | ier | |
|-------------|-------|---------|--|
| Phone: | 636-2 | 19-7729 | |
| | | | |
| County Rate | 2 | 50.00 | |

40% of value

Incentive Payment Calculations and Record

Wetland Restorations

| | Contract | Restored | | |
|---|-----------|--------------------------|-----------|--------------------------|
| Legal Description | Length | Wetland | Basin No. | LLP Total |
| | Longui | Acres | 98 | |
| T. 159 N., R. 62 W., Sec. 18 | Perpetual | 0.3 | 1 | \$180.00 |
| T. 159 N., R. 62 W., Sec. 18 | Perpetual | 0.7 | 2 | \$420.00 |
| T. 159 N., R. 62 W., Sec. 18 | Perpetual | 0.5 | 3 | \$300.00 |
| T. 159 N., R. 62 W., Sec. 18 | Perpetual | 0.7 | 4 | \$420.00 |
| Sec 10 N | | | | |
| 115 , 2 × × × 1 | | ' g | | |
| T. 159 N., R. 62 W., Sec. 18 | Perpetual | 1.5 | 7 | \$900.00 |
| T. 159 N., R. 62 W., Sec. 20 | Perpetual | 0.2 | 8 | \$120.00 |
| T. 159 N., R. 62 W., Sec. 20 | Perpetual | 3.6 | 9 | \$2,160.00 |
| T. 159 N., R. 62 W., Sec. 20 | Perpetual | 0.6 | 10 | \$360.00 |
| T. 159 N., R. 62 W., Sec. 20 | Perpetual | 0.6 | 11 | \$360.00 |
| $t_i = t_i^{-1} = (d - 1) = \frac{d}{2}(m) = -\frac{d}{2}(1)$ | | | | |
| T. 159 N., R. 62 W., Sec. 20 | Perpetual | 0.7 | 13 | \$420.00 |
| T. 159 N., R. 62 W., Sec. 20 | Perpetual | 0.3 | 14 | \$180.00 |
| a service of | | | | X 5x |
| T. 159 N., R. 62 W., Sec. 20 | Perpetual | 2.3 | 16 | \$1,380.00 |
| | total | 2.0 -1 5.5 | | \$7,200.00 \$9,300.00 |

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| Landowner: | | North Dakota Natural Resources Trust: |
|------------|-----------------|---------------------------------------|
| | Trechard Overly | Tony Allher |
| Date: | 3-24-14 | Date: |

North Dakota Natural Resources Trust Loss Production Payment (LPP) Management Agreement

| Name: John Wells | County: Towner | |
|------------------------------------|----------------------|--|
| Address: 40 Sunrise Drive | Phone: 703-628-0499 | |
| City, State, ZIP: Boerne, TX 78006 | | |
| Cooperating Agreement: USFWS - WEA | County Rate: \$45.00 | |

Wetlands Restoration Calculation and Record

| Legal Description | Contract Length | Restored Wetland Acres | Total |
|-----------------------------|--------------------|---------------------------|------------|
| T. 158 N., R. 67 W., Sec 21 | Perpetual | 7.6 | \$4,104.00 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | \$4,104.00 |
| TOTALS: | | | |

The landowner agrees the above payment will be for newly restored wetland acres. Final numbers, upon which actual payment will be based, will be determined by on-site field review. The ND Natural Resources Trust (Trust) will make payment to the landowner upon confirmation by the authorized representative that all restoration requirements are completed. Term of agreement is until the cooperating contract expires or is terminated, maximum length of 50 years. The landowner/producer who holds the contract remains obligated to the terms of this contract. If the contract is terminated before it expires, the landowner/producer will reimburse the ND Natural Resources Trust for the payment the Trust made to them.

| Landowner: | ND Natural Resources Trust: |
|------------|-----------------------------|
| John Mille | Long Miles |
| Date: | Date: 5-29-14 |

North Dakota Natural Resources Trust Loss of Production Payment (LPP) Management Agreement

| Name: | Helseth, Roger |
|-----------------|--|
| Address: | 9135 Hwy 40 |
| City, St., Zip: | Columbus, ND 59727 |
| | Agreement: USFWS Wildlife Ext. Agreement |

| County: | Burke | |
|--------------|--------------|--|
| Phone: | 701-705-6222 | |
| | | |
| County Rate: | \$ 30.00 | |

Incentive Payment Calculations and Record

Wetland Restorations

| Legal Description | Contract Length | Restored Wetland Acres | Basin No. | LLP Total |
|--|--------------------|------------------------------|-----------|-------------|
| T. 161 N., R. 93 W., Sec. 35 W1/2 | 10 | 0.6 | 1 | \$48.00 |
| | | | | |
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| a comment of the comm | | | | |
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| * *** | | | | |
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| | | | | |
| 1000 | | | | |
| | total | 0.6 | | \$48.00 |

The landowner agrees the above payment will be for newly restored wetland acres. Final numbers, upon which actual payments will be based, will be determined by on-site field review. The ND Natural Resources Trust (Trust) will make payment to the landowner upon confirmation by the authorized representative that all restoration requirements are completed. Term of agreement is until the conservation organizations contract expires or is terminated, maximum length of 30 years. The landowner/producer who holds the contract remains obligated to the terms of the contract. If the contract is terminated before it expires, the landowner/producer will reimburse the Natural Resources Trust for the payment the Trust made to them.

| Landowner: | ~ · | North Dakota Natural Resources Trust: |
|------------|-----------|---------------------------------------|
| Sil | on Albert | Cours Allbel |
| Date: | 8/15/13 | Date: (-27-14 |
| Duto. | | |

North Dakota Natural Resources Trust Loss of Production Payment (LPP) Management Agreement

| Name: | Bott & Maier Rev. Trust(C/O Chad Maier,) | County: | Sherida | n | |
|-------------|--|--------------|---------|--------|---------------------|
| Address: | 1220A Hwy 83 S | Phone: | 701-462 | 2-3686 | |
| City, State | , Zip: Washburn, ND 58577 | | | | |
| Cooperation | ng Agreement: USFWS-WEA | County Rate: | \$ | 40.00 | (uses 40% of value) |

Wetlands Restoration Calculation and Record

| - Legal Description | Contract Length | Wetland No. | Acres | Total |
|--|-----------------|-------------|-------|--------------|
| T. 146 N., R. 76 W., Sec. 35, SW1/4SW1/4 | Perpetual | -1 | 0.8 | \$ 384.00 |
| T. 146 N., R. 76 W., Sec. 34, SW1/4 | Perpetual | 1 | 0.4 | \$ 192.00 |
| | Perpetual | | | \$ - |
| | Perpetual | | | \$ 341 |
| | Perpetual | | | \$ 2 |
| | Perpetual | | | \$ - |
| TOTALS: | | 2 basins | 1.2 | \$ 576.00 |

The landowner agrees the above payment will be for newly restored wetland acres. Final numbers, upon which actual payment will be based will be determined by on-site field review. The ND Natural Resources Trust (Trust) will make payment to the landowner upon confimation by the authorized representative that all restoration requirements are completed. Term of agreement is until the cooperating contract expires or is terminated, maximum length of 30 years. The landowner/producer who holds thee contract remains obligate to the terms of this contract. If the contract is terminated before it expires, the landowner/producer will reimburse the ND Natural Resources Trust for the pament the Trust made to them.

| Landowner: | North Dakota Natural Resources Trust: |
|----------------|---------------------------------------|
| chal Marie | Mllhre |
| Date: 650 - 13 | Date: |