

Outdoor Heritage Fund Grant Application



Name of Organization: North Dakota Natural Resources Trust

Federal Tax ID#: 36-3512179

Contact Person/Title: Jesse Beckers/Conservation Program Coordinator

Address: 1605 East Capitol Ave, Suite 101

City: Bismarck

State: ND

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Web Site Address: www.ndnrt.com

Phone: (701) 223-8501

Fax #: (701) 223-6937

List names of co-applicants if this is a joint proposal *

MAJOR Directive: Choose only one response

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive: Choose all that apply

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

X **Directive B.** Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

O **Directive C.** Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

O **Directive D.** Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Type of organization:

O State Agency

O Political Subdivision

O Tribal Entity

X Tax-exempt, nonprofit corporation.

Project Name: Dakota Skipper Habitat Restoration/Enhancement Partnership

Abstract/Executive Summary: The Dakota Access Pipeline (DAPL) captures the essence of responsible and successful transport of North Dakota’s oil and gas resources. It is generally known and accepted that the movement of oil by pipeline is the safest (from both human and environmental perspectives) and most economical means of moving and marketing a valuable, non-renewable natural resource. Building, operating, and maintaining a major pipeline in an environmentally acceptable manner is a major commitment for both the builder and the multiple users. Despite best efforts, major infrastructure development comes with challenges. However, with environmental commitment and strong partnerships, negative impacts can be minimized and benefits increased and enhanced.

The Dakota Skipper Habitat Restoration Partnership (DSHRP) involves an innovative partnership between energy, agriculture, and natural resource interests that seeks to first avoid, then to minimize and finally to offset unavoidable impacts from construction of the DAPL to sensitive land inhabited by the Dakota skipper, an imperiled native butterfly on the North Dakota Game and Fish Department’s Species of Conservation Priority list. The DSHRP will utilize the environmental commitment of Dakota Access, LLC (DA) to benefit the native grasslands through which the pipeline passes, motivated by the need to provide long-term benefits to habitat for the Dakota skipper. This proactive strategy to restore habitat for Dakota skipper will reduce future federal regulations that could impact industry and agriculture activities. Other associated benefits will be an increased amount of well-managed native prairie habitat to benefit ranching operations and all other wildlife that depends upon that ecosystem. Increased public access for the vast array of outdoor activities favored by North Dakotans and our important tourism industry will be an additional beneficial outcome of this project.



The Dakota skipper lives in high-quality mixed and tallgrass prairie. Its required habitat has been lost in most of its former range and it now occurs only in small, scattered populations in

remnants of native mixed and tallgrass prairie in Minnesota, the Dakotas and southern Canada. While DA used routing guideline criteria that avoided and minimized the crossing of sensitive environmental areas, pipeline construction, nevertheless, resulted in known Dakota skipper habitat being altered and/or destroyed. In a proactive step that displayed DA's commitment to environmental stewardship, a voluntary donation was made to the North Dakota Natural Resources Trust (Trust) in December, 2017 to deliver "an appropriate amount of conservation to offset impacts to the Dakota skipper resulting from the DAPL project." DA selected the Trust to receive this donation because the Trust has a history of bringing together partners to create opportunities for leveraging the DA funds, resulting in a greater habitat restoration for Dakota skippers.

The DSHRP will utilize the best available science regarding the biology of the Dakota skipper to implement a range of voluntary private and public land partnerships and innovative land management options. Upon successful completion, this project will enhance existing native prairie habitat to benefit the Dakota skipper, with the goal of increasing the amount of known and suitable Dakota skipper habitat. The project will also strengthen existing and create new partnerships between energy, agriculture and conservation interests; strengthen ranching infrastructure and the rural economy, plus provide associated benefits to rural communities in the project area and both create and enhance wildlife habitat and outdoor opportunities for our citizens.

Project Duration: Three to five years to implement; 10-15 years for monitoring and to generate full impact benefits.

Amount of Grant request \$897,250.00

Total Project Costs \$1,847,250.00

Amount of Matching Funds \$950,000.00 (51% Match)

Cash: \$550,000.00

In-kind: \$400,000.00

Source(s) of Matching Funds*

Dakota Access LLC	\$350,000.00 (Cash)
Landowners	\$300,000.00 (In-Kind)
North Dakota Natural Resources Trust	\$100,000.00 (Cash)
North Dakota Natural Resources Trust	\$100,000.00 (In-Kind)
North Dakota Wildlife Federation	\$100,000.00 (Cash)

Certifications

X I certify that this application has been made with the support of the governing body and chief executive of my organization.

X I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted on Page 1 of this application.

Narrative

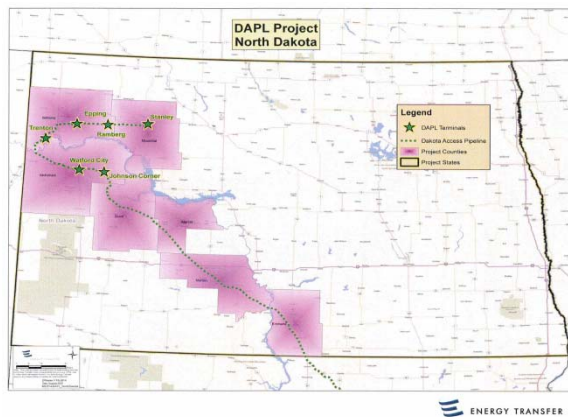
Organization Information: The Trust was created in 1986 and was originally called the North Dakota Wetlands Trust until 2000. The Trust's mission is to preserve, restore, manage, and enhance wetlands and associated wildlife habitat, grasslands, and riparian areas in the state of North Dakota. The Trust achieves this mission by partnering with agricultural and conservation organizations to promote productive use of private agricultural lands and private property rights that result in enhancement and protection of private lands, to effectively use North Dakota's public lands both for agriculture and recreation, to promote good land use along urban river corridors, and to enhance the state's significant water resources. The Trust helps shape the landscape through its programs and does its best to help shape both public attitude and public policy to support natural resource protection.

The Trust is managed by a six-member board of directors. Three of the directors are appointed by the governor of North Dakota, one by the National Audubon Society, one by the National Wildlife Federation, and one by the North Dakota Chapter of The Wildlife Society. The North Dakota Game and Fish Department Director is an ex-officio member. The Trust has an Executive Director and four staff members.

From its inception, the Trust has played a role as facilitator between agricultural and conservation interests. In addition to facilitating and funding sound, on-the-ground conservation of natural resources, its goal is to identify common issues, create dialogue, and resolve conflicts.

Purpose of Grant:

Background and Funding Urgency: During the pre-construction survey phase of the Dakota Access Pipeline (DAPL) in 2012, consultants conducting environmental surveys discovered 13 areas where Dakota skippers (*Hesperia dakotae*) were present that were unknown locations previously. The 13 locations were within a 150 foot pipeline right-of-way. Consultants focused



their search on preferred habitat types for Dakota skippers, which included undisturbed native prairie with prairie dropseed, little bluestem, purple and upright prairie coneflower, bluebell, black-eyed susan, milkvetch, and primrose. In the DHSRP, Dakota skippers live in upland prairies, relatively dry and often found on ridges and hillsides. Bluestem grasses and needlegresses dominate these prairies; purple coneflower (*Echinacea angustifolia*) is typically present on high quality sites that support this skipper, although it also uses other flowers for nectar. During pipeline construction some of the

preferred habitat and occupied areas were altered and/or destroyed. This habitat type is unlikely to be reestablished on a site that has been plowed. Therefore, activities that maintain the original native grass habitat are fundamental to the species' conservation.

Goals, Strategies, and Benefits: Native prairie habitat upon which Dakota skippers rely should be managed through grazing, fire, and haying (timed to occur after summer flight period) to diversify the native prairie plants upon which Dakota skippers rely. For DA there were two

biological documents produced which include; Biological Assessment for the Dakota Access Pipeline Project March 2016 by the US Army Corps of Engineers and Biological Opinion On the Effects to the Dakota Skipper from the Construction, Operation, and Maintenance of the Dakota Access Pipeline in North Dakota and South Dakota (May 2016) by the US Fish and Wildlife Service (USFWS). The Trust, in coordination with the DA and partners, will begin the project by identifying landowners with known Dakota skipper habitat that was affected by pipeline construction. Additional landowner outreach will include those adjacent to and in proximity of known skipper habitat. Focus will be on Dunn and McKenzie Counties but could expand to other areas where suitable skipper habitat is known to exist. Delivery of the DHSRP will avoid geographic focus areas for surface coal mining activities, as identified by the Lignite Energy Council (LEC), which are Mercer, Morton, McLean and Oliver counties.

Landowners participating in this voluntary conservation effort will have the opportunity to diversify existing and implement new grazing systems where none exist. There will be options to install new or upgrade existing water developments and infrastructure to support the grazing systems. The prescription for grazing will follow technical guidelines to coincide with the needs of the Dakota skipper, which may include avoiding areas of high-forb density during the flight period. Haying is another option that will be available to landowners, following recommended guidelines, including; haying after the flight period has ended, leaving eight inches of stubble height for overwintering populations, and resting hayed areas occasionally. By supporting ranching operations through rotational grazing and haying, Dakota skipper habitat that has been degraded will be improved and enhanced. This Outdoor Heritage Fund (OHF) funding request would, in conjunction with cost-share from the landowners, complete the necessary fencing and water developments to implement a rotational grazing system that would benefit Dakota skippers. The installation of fencing will partially include new boundary fence and/or replacement of existing fence with wildlife friendly fence (smooth bottom wire and 16 inch height), but the majority will be the installation of new cross fence. The fencing type may include multi-strand barbed wire fence, wildlife friendly fence and single or multi-strand strand electrical fence. As the best management practices are fully developed there may be circumstances that may be best to utilize loss of production incentives to offset customary ranching practices. A proactive component of the project will involve helping private land ranchers improve existing grassland, create new grassland habitat and enhance grassland management that will compliment any changes made to known Dakota skipper habitat as well as strengthen private land operations.

Based on known locations and preferred habitat types, the USFWS estimates that an additional 556 acres of potentially skipper occupied habitat occurs within 1 km of the known 13 locations. Management efforts will be focused on these areas to increase native grass and forb communities, in turn, increasing the amount of potential Dakota skipper habitat. Coordination meetings will occur between the Trust, Local SCDs, NDGFD, USFWS, ND Wildlife Federation, and the NRCS to identify interested landowners and projects.

The DSHRP will meet OHF objectives via creation of new and enhancement of existing grassland habitat in the project area to benefit the Dakota skipper and other wildlife. These grassland improvement activities will benefit participating private landowners by enhancing multiple aspects of their ranching operations. Soil condition will improve, water quality will be enhanced both on project lands and for neighboring lands and plant diversity will increase.

ND Game and Fish Department's non-game division will provide additional guidance on project delivery. All participant landowners will be made aware of and offered the option of participating

in the NDGF Private Land Open to Sportsmen (PLOTS) program, thereby creating public access to outdoor opportunities on these enhanced lands.

Directives and Timelines:

Management of Project: DSHRP will start by working closely with DA to provide landowner contacts in and adjacent to the pipeline route who had known Dakota skipper habitat on their private land. Those landowners agreeable to potential project participation will be contacted by field staff of partner organizations. Based on landowner interests and need, conservation options will be identified that will:

- 1) Protect and enhance known or potential skipper habitat adjacent to the pipeline corridor
- 2) Restore previous skipper habitat that was destroyed or altered
- 3) Identify potential skipper habitat adjacent or in proximity to the pipeline corridor
- 4) Identify management actions that can be applied to mixed grass prairie habitat that will benefit the Dakota skipper

In addition, landowners in a wider area with similar mixed grass prairie habitat (with the exception of the LEC identified exclusion counties) will be contacted and offered the option of having their grazing operations and grasslands evaluated for potential skipper friendly management options. Where opportunities are identified, landowners will be offered options to participate in private land conservation including, but not limited to, installation of grazing systems (i.e. fencing, water development), enhancement of existing grazing systems, and management actions known to be compatible with creation and enhancement of skipper habitat. This could include such actions as burning, time sensitive deferred grazing, haying, reduced grazing to increase stubble height, all dependent on weather/land conditions.

There are few Dakota skipper experts, specialized skill sets are necessary to identify and monitor the success of the various management practices. The Trust will use contracted service providers which would include North Dakota State University and/or private consulting to complete periodic monitoring for population assessments.

Evaluation:

1. Acres of new grassland habitat created.
2. Acres of enhanced grassland habitat.
3. Number of landowner/farmer/rancher participating.
4. Acres under new or enhanced grazing systems, strengthening private ranching viability going forward.
5. Amount of potential skipper habitat created.
6. Documented Dakota skipper presence.
7. Enhanced status of Dakota skipper population, with potential removal from North Dakota Game and Fish Department's list of Species of Concern.

Financial Information:

X I certify that a project budget will be sent to the Commission

Project Budget:

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's and Other Project Sponsor's Match Share (In-Kind)	Total Each Project Expense
OHF - Dakota Skipper Best Mgt. Practices (60%)	\$845,500			\$845,500
Landowners - Dakota Skipper Best Mgt. Practices			\$300,000	\$300,000
Partners - Dakota Skipper Best Mgt. Practices		\$550,000**		\$550,000
Contracted Services	\$51,750		\$50,000	\$101,750
Project Staffing			\$50,000	\$50,000
Total Costs	\$897,250	\$550,000	\$400,000	\$1,847,250

- Landowner Agreements – All agreements with landowners will be 10 years.
- Dakota Skipper Best Management Practices:
 - Fencing will follow the ND NPS Management Program's Cost-Share Guidelines for Nonpoint Source Pollution Control Best Management Practices (319 program). OHF grant will provide landowners a **60%** cost-share for primarily cross fencing, but will include boundary fence and wildlife friendly fence.
 - Water Development will follow the ND NPS Management Program's Cost-Share Guidelines for Nonpoint Source Pollution Control Best Management Practices (319 program). OHF grant will provide landowners **60%** cost-share for water wells, pipelines, tanks and associated costs.
 - Grass/Forb Seeding will follow the ND NPS Management Program's Cost-Share Guidelines for Nonpoint Source Pollution Control Best Management Practices (319 program). OHF grant will provide landowners a **60%** cost-share of native grass/forb seeding with emphasis on native species that would be utilized by Dakota skipper
 - Management Practices will be implemented based on the habitat needs of the Dakota skipper. In many cases these management actions will reduce annual use for livestock production by a small percentage of time during the year. The applications will provide a loss of production incentive to offset these management actions.
** ND Wildlife Federation funds are restricted to McKenzie and Dunn Counties.
- Contracted Services – North Dakota State University and/or private consultants with experience and expertise would conduct Dakota skipper population status monitoring throughout the grant duration. All projects will be reviewed by State Historical Society of North Dakota for cultural resources and North Dakota State Historical and Preservation Office approval. If the project requires an on-the-ground cultural review that activity will be outsourced. Each pedestrian review cost \$1,250 and costs would advance depending on findings.
- Project Staffing – North Dakota Resources Trust will provide in-kind match to complete the staffing and coordination of the grant.

Sustainability: Currently the activities in North Dakota that have been completed to conserve the Dakota skipper have focused on identifying critical habitat, conducting research on the life

cycle of the species, completing population status surveys, and experimentation with propagation at the Minnesota Zoo. Currently an NDSU study called Monitoring Native Pollinators in North Dakota is focused on native pollinator species populations including Dakota skipper. This study is being funded through the federal environmental law impact review committee with funding partner including ND Crop Harmonization Board, ND Game and Fish Dept., ND Dept. of Transportation, ND Petroleum Council, ND Lignite Energy Council, ND Beekeepers Assoc., ND Wheat Commission, ND Grain Growers Assoc., ND Stockman's Assoc., and IBAND. The on-the-ground cooperation with private landowners is a critical step in the recovery of the Dakota skipper. This donation by DA gives a unique opportunity to work on land stewardship practices that provide a multi-species and ranching benefit.





Partial Funding:

- DAPL donation would not be fully matched as per their request
- Less Dakota skipper habitat will be enhanced or improved/restored
- Project will be less effective enhancing Dakota skipper population.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * Please note it is a requirement that there be signage at the location of the project acknowledging the funding from the Outdoor Heritage Fund if appropriate for your project.

The DSHRP will recognize the OHF partnership in as many opportunities as possible. Those will include all interactions with landowners and coordination meetings. The OHF funding will also be recognized in any outreach material both published and electronically like partner webpages.

References:

<p style="text-align: center;">BIOLOGICAL OPINION On the effects to the Dakota skipper from the construction, operation, and maintenance of the Dakota Access Pipeline in North Dakota and South Dakota</p> <p style="text-align: center;">Federal Action Agency: U.S. Army Corps of Engineers, Omaha District, Omaha Nebraska <i>USFWS Reference #06E15000-2016-F-0132</i></p> <div style="text-align: center;"><p>Dakota Skipper (<i>Hesperia dakotae</i>) U.S. Fish and Wildlife Photo</p></div> <div style="text-align: center;"><p>FISH AND WILDLIFE SERVICE Mountain-Prairie Region Ecological Services</p></div> <p style="text-align: center;"> Scott Larson, Field Supervisor North and South Dakota Field Office</p> <p style="text-align: right;">May 31, 2016 Date</p>	<p style="text-align: center;">Biological Assessment for the Dakota Access Pipeline Project</p> <p style="text-align: right;">March 2016</p> <div style="text-align: center;"><p>US Army Corps of Engineers BUILDING STRONG Omaha District St. Louis District Rock Island District</p></div>
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NORTH DAKOTA GAME & FISH DEPARTMENT

"Variety in Hunting and Fishing"

GOVERNOR, Doug Burgum

DIRECTOR, Terry Steinwand

DEPUTY, Scott A. Peterson

100 North Bismarck Expressway

Bismarck, North Dakota 58501-5095

Phone: (701) 328-6300

FAX: (701) 328-6352

September 20, 2018

Karlene Fine, Executive Director
North Dakota Industrial Commission
ATTN: Outdoor Heritage Fund
State Capitol - Fourteenth Floor
600 East Boulevard Ave. Dept. 405
Bismarck, ND 58505

Dear Ms. Fine:

The North Dakota Game and Fish Department's (Department) mission is to protect, conserve and enhance fish and wildlife populations and their habitats for sustained public consumptive and nonconsumptive use. The Department is the agency responsible for managing the state's fish and wildlife resources and works closely with the U.S. Fish and Wildlife Service (Service) on species listed under the Endangered Species Act. The Dakota Skipper is a small prairie butterfly listed as a threatened species in 2014. The ultimate goal of both the Department and the Service is to recover the species population and habitat so it may be removed from the federal threatened and endangered species list.

During the development of the Dakota Access Pipeline (DAPL), unavoidable impacts to Dakota Skipper habitat occurred during construction. The development company has committed to replacing the affected resources. We believe the North Dakota Natural Resources Trust (NRT) Dakota Skipper Habitat Enhancement Project (DSHEP) OHF grant proposal will enhance native prairie, thereby increasing the amount of habitat available to Dakota Skippers. Through the DSHEP, habitat enhancement will be implemented by NRT and its partners, helping ensure the conservation and recovery of not only the Dakota Skipper, but other native prairie dependent wildlife.

We fully endorse the NRT and the partners on this project.

Sincerely,



Terry Steinwand
Director



United States Department of Agriculture

Natural Resources
Conservation Service

September 28, 2018

Bismarck State Office
PO Box 1458
Bismarck, ND
58502-1458

To Whom It May Concern:

Voice 701.530.2000
Fax 855-813-7556

I have reviewed the Outdoor Heritage Fund Grant proposal for Dakota Skipper Habitat Restoration Partnership by North Dakota Natural Resources Trust. It fits very closely with the goals of the USDA Natural Resource Conservation Service (NRCS) to assist private landowners and operators with voluntary conservation technical assistance and to address natural resource concerns for wildlife, soil health and plant diversity in North Dakota.

The project leverages resources through partners and participants to implement conservation technical and financial assistance to assist in natural resource improvement in cooperation with energy development. It is an excellent model for North Dakota.

USDA-NRCS will provide Technical Assistance, and potentially financial assistance, as the opportunity arises.

Please feel free to contact myself or Jill Howard at (701) 530-2000, for more information.

Sincerely,

MARY E. PODOLL
State Conservationist

Helping People Help the Land

An Equal Opportunity Provider, Employer, and Lender



100 West Broadway, Ste. 200 | P.O. Box 1395 | Bismarck, ND 58502-1395
701.223.6380 | ndpc@ndoil.org | www.NDOil.org

September 28, 2018

Karlene Fine, Executive Director
North Dakota Industrial Commission
ATTN: Outdoor Heritage Fund
State Capitol – Fourteenth Floor
600 East Boulevard Ave., Dept. 405
Bismarck, ND 58505

Dear Ms. Fine:

The North Dakota Petroleum Council (NDPC) is writing to express its support for the Dakota Skipper Habitat Enhancement Project (DSHEP) OHF grant request submitted by the North Dakota Natural Resources Trust (Trust).

A hallmark of responsible energy development involves caring for the land and, most especially, the species that rely on unique and limited habitat. Among our priorities is protecting state species of concern and species on the federal threatened or endangered list. A goal of those involved in energy development is to do no harm to these species and, where possible, implement habitat projects that enhance their status. This grant proposal accomplishes those ends in a unique and innovative way.

Through the environmental commitment of Energy Transfer, LLC and their partnership with the Trust, an approach has been identified in this grant proposal to benefit the threatened Dakota skipper. Habitat development and management that benefits the skipper will in turn benefit other wildlife species that utilize native prairie habitat. Those habitat improvements will result in improved grassland health and strengthen the rural agricultural economy, with benefits to the entire region of the state.

This OHF project proposal is complimentary to a broad based, ongoing partnership between NDPC and a number of agencies and NGOs that comprise the federal environmental law impact review committee. The purpose of that committee's work, and this OHF project, is to address the informational and habitat needs surrounding species in peril, including the Dakota skipper. Proactive work now will minimize the chance of further declines in these species, to the benefit of all North Dakota industries and citizens. NDPC and affiliated member organizations believe this OHF grant proposal is well-focused to address the habitat needs of the Dakota skipper along and adjacent to the Dakota Access Pipeline route. We encourage your favorable consideration of the DSHEP grant request.

Sincerely,

Ron Ness
President

