

Contract No. 002-020
“Water Storage Piggyback”
 Submitted by North Dakota Natural Resources Trust
 Principal Investigator: Terry Allbee

PARTICIPANTS

Sponsor	Cost Share
ND Natural Resources Trust	<u>\$ 75,000</u>
Subtotal Cash Cost Share	\$75,000
ND Natural Resources Trust	<u>\$ 25,000</u> (in-kind)
Subtotal In-kind Cost Share	\$25,000
North Dakota Industrial Commission	<u>\$300,000</u>
Total Project Cost	\$400,000

Project Schedule – 48 months	Project Deliverables:
Contract Date – 7/30/14	Status Report: August 31, 2015 ✓
Start Date –	Status Report: August 31, 2016 ✓
Completion Date – 8/31/18	Status Report: August 31, 2017 ✓
	Final Report: August 31, 2018 - Delivered 2/01/2018 ✓

OBJECTIVE/STATEMENT OF WORK:

This project will develop and pilot a complementary program to existing water storage programs by providing funding to participants for the loss of agricultural production from the lands that will be underwater. The pilot program will provide an agricultural production loss payment and incentivize landowners to participate in the local, state, federal and non-governmental water retention programs. It will create approximately 500 surface acres of water storage.

STATUS:

Contract 002-020 has been signed.

Status Report dated August 31, 2015 was received. It stated the following:

The outreach and partner coordination for the Water Storage Piggyback (WSP) program started immediately after the Outdoor Heritage Fund agreement was completed on July 30, 2014. The North Dakota Natural Resources Trust (Trust) prepared a landowner and partner brochure for distribution and posted WSP promotional information on Trust website. The Trust also worked on partner communication meetings and statewide conference calls, with federal, state and non-governmental organizations that have water storage programs available for landowners. We worked on direct partner coordination with federal partners that included a statewide conference call to all USDA Natural Resource Conservation Service county field offices. Statewide conference call to all US Fish and Wildlife Service’s Partners for Fish and Wildlife private lands staff. These conference calls also produced many follow-up calls from individual NRCS and USFWS field staff. I also worked on state agency coordination with the North Dakota Game and Fish Department’s private lands program, North Dakota Game and Fish Department’s Save Our Lakes Program, and North Dakota State Water Commission. Finally I worked with non-governmental organizations including Red River Retention Authority, Pheasants Forever’s staff including Farm Bill Biologists, Ducks Unlimited staff including Farm Bill biologists, and consultants who

were working on wetland mitigation plans for landowners. Finally I visited directly with landowners about WSP.

After the initial federal, state and non-governmental partner coordination was completed the Trust began working with field staff as they worked on delivering WSP information to landowners. Once landowners started learning about the WSP they were very interested in a program that offered a payment like WSP to help with water developments on their property. The first WSP agreements started in late summer of 2014. The total amount of signed WSP agreements for the first year includes 37 agreements with landowners in seventeen different counties totaling 498 surface acres of water storage. The total amount of WSP agreements for the first year is \$322,979.59. Through July 31, 2015 a total of \$214,853.62 have been paid directly to nine participation landowners with a total of 292 acres.

The remaining balance of unobligated WSP agreement funds is \$52,020.41. It is our plan to have signed WSP agreements with landowners for this remaining amount by spring 2016. We are encouraged by the strong landowner interest in storing water and their participation in the WSP program.

After all WSP agreements funds are committed the Trust will work with partners to complete all the planned work. It should be noted that these types of projects are highly dependent on the availability and willingness of construction contractors. In the past five years construction contractor availability has been an important issue in North Dakota. In addition to contractor availability these water storage projects need dry weather conditions. This may ultimately be a factor in the successful completion of the WSP.

All site specific agreements where work is completed are available in the Industrial Commission files.

August 31, 2016 Status Report - The report states:

Since the Water Storage Piggyback (WSP) program was developed and during the announcement of the availability of funds the WSP has been received very positively by landowners. The program started in August of 2014 through the partnership with various organizations that promote water storage on private land in North Dakota. The WSP funds were completely obligated in February of 2016. The Trust is working with the nine remaining signed WSP agreements to complete the construction work as soon as possible. The anticipated timeline to complete the remaining agreement work is by end of 2017 construction season.

In summary WSP entered into agreements with 44 landowners in 19 different counties throughout North Dakota totaling 101 different storage sites for a total of 561.2 acres of water storage. The Trust has signed agreements for a total of \$379,764.39 (\$300,000 OHF funds and \$79,764.39 Trust funds) of WSP payments. The Trust plans to provide cash match instead of in-kind match for the amount over \$75,000 as proposed in the original application. This will result in \$4,764.39 more WSP payments that will go directly to landowners.

It should be noted that these types of projects are highly dependent on the availability of heavy equipment contractors. In the past five years construction contractor availability has been a concern in North Dakota. In addition to contractor availability these water storage projects need dry weather condition. These factors may ultimately determine the successful completion of all the WSP agreements.

County	#	Status	Sites	Acres	\$\$
Benson	1	Completed	4	2.2	1,279.20
Billings	1	Completed	1	6.2	2,849.52
Bottineau	2	Completed	9	100.3	60,420.72
Burleigh	1	Completed	3	8.1	5,093.28
Cavalier	1	Completed	3	2.6	2,136.24
Dickey	1	Completed	3	32.9	42,954.24
Dunn	1	Completed	1	5.0	2,046.00
Emmons	3	Completed	5	11.5	10,212.00
Emmons	1	Signed Agreement/Not Completed	1	5.2	5,659.68
Grant	4	Completed	7	12.8	6,005.76
Griggs	3	Completed	8	202.4	161,758.06
Griggs	2	Signed Agreement/Not Completed	10	23.8	20,020.56
Kidder	1	Signed Agreement/Not Completed	1	3.5	2,121.00
McLean	4	Completed	5	37.5	26,163.62
McLean	1	Signed Agreement/Not Completed	1	0.5	345.00
Morton	3	Completed	5	16.1	8,074.92
Mountrail	1	Completed	2	4.7	2,154.48
Pierce	1	Signed Agreement/Not Completed	1	2.8	1,696.80
Sheridan	4	Completed	5	6.4	3,834.00
Sheridan	1	Completed	1	0.8	432.00
Stark	1	Completed	1	50.0	2,382.00
Towner	2	Completed	7	3.2	1,791.47
Towner	1	Signed Agreement/Not Completed	11	6.2	3,521.20
Williams	1	Completed	3	5.8	2,380.32
Williams	2	Signed Agreement/Not Completed	3	10.8	4,432.32
	44		101	561.2	379,764.39

Photos are available with the status report that is posted on the website.

August 31, 2017 Status Report received. The report states in part:

The Water Storage Piggyback (WSP) program continues to complete the construction of wetland restorations for the final six agreements. The Trust plans on completing these restorations in the fall of 2017 and providing Water Storage Piggyback payments by the end of 2017.

The updated WSP program numbers for this report include 44 landowner agreements in 19 different counties throughout North Dakota totaling 103 different storage sites for a total of 564 acres of water storage. The Trust has signed agreements for a total of \$380,063.59 (\$300,000 OHF funds and \$80,063.59 Trust funds) of WSP payments. The Trust plans to provide cash match instead of in-kind match for the amount over \$75,000 as proposed in the original application. This will result in \$5,063.59 more WSP payments that will go directly to landowners.

County	Status	Sites	Acres	\$\$
REPORT PERIOD 8/1/16 to 7/31/17				
Emmons	Completed	1	5.2	\$5,659.68
Griggs	Completed	2	1.1	\$925.32
Kidder	Completed	1	3.5	2,121.00
Sheridan	Completed	1	0.8	432.00
		5	10.6	\$9,138.00
			OHF	\$5,747.40
			Trust	\$3,390.60
FINAL REPORT PERIOD 8/1/17 to 7/31/17				
Benson	Estimated Completion Fall 2017	3	4.7	\$1,378.96
McLean	Estimated Completion Fall 2017	1	0.5	\$345.00
Griggs	Estimated Completion Fall 2017	8	22.7	\$19,095.24
Towner	Estimated Completion Fall 2017	11	6.2	\$3,221.20
Williams	Estimated Completion Fall 2017	1	3.4	\$1,395.36
Williams	Estimated Completion Fall 2017	1	5.5	\$2,257.20
		25	43	\$27,692.96
			OHF	\$22,629.37
			Trust	\$5,063.59

Final Report was submitted 2/01/2018. The report states in part:

The Water Storage Piggyback grant is final. The last wetland restoration constructions were completed in fall of 2017.

During this reporting period 4 landowner agreements were completed. The construction work involved 24 different wetland sites for a total of 48.2 acres in four different counties (see table below).

The final WSP program resulted in 42 landowner's agreements in 19 different counties throughout North Dakota totaling 115 different storage sites for a total of 524.9 acres of water storage. The Trust has signed agreements for a total of \$379,196.88 of WSP payments. In the original grant budget the Trust was to provide \$25,000 of in-kind match and \$75,000 in cash match. The Trust actually provided \$79,196.88 in cash match and will lower the in-kind match to \$20,803.12. This resulted in \$4,196.88 additional WSP payments going directly to landowners.

County	Status	Sites	Acres	\$\$
FINAL REPORT PERIOD 8/ 1/ 17 to 2/ 1/ 18				
Benson	Completed Fall 2017	4	18.8	\$5,515.90
McLean	Completed Fall 2017	1	0.5	\$345.00
Griggs	Completed Fall 2017	8	22.7	\$19,095.24
Towner	Completed Fall 2017	11	6.2	\$1,870.11
		24	48.2	26,826.25
			OHF	\$22,629.37
			Trust	\$4,196.88

All site specific agreements where work was completed are available in the Industrial Commission files.

This contract is now closed.

Updated 2/2/2018