

Minnesota Environment and Natural Resources Trust Fund (ENRTF) 2010 Work Program

Work Program Update

Date of Report: January 28, 2010
Date of Next Status Report: December 1, 2010
Date of Work Program Approval:
Project Completion Date: June 30, 2011

I. PROJECT TITLE: Shallow Lake Easements (Part 3c)
Minnesota's Habitat Conservation Partnership (HCP)

Project Manager: Jon Schneider, Manager – MN Conservation Programs
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Location: All work will be completed within the Habitat Conservation Partnership Project Areas 1-4 and 6-10.

Total Trust Fund Project Budget:	Trust Fund Appropriation:	\$	75,000
	Minus Amount Spent:	\$	<u>0</u>
	Equal Balance:	\$	75,000

Legal Citation: M.L. 2010, Chapter , Section , Subdivision .

Appropriation Language:

II. PROJECT SUMMARY AND RESULTS:

DU will help state and federal wildlife conservation agencies protect (Part 3c) managed shallow lakes for waterfowl wildlife within HCP project areas by securing permanent DU conservation easements.

To protect shallow lakes (Part 3c), DU will work with private landowners to secure permanent conservation easements on managed shallow lakes. These may include both prairie shallow lakes and forested wild rice lakes managed for wildlife by the Minnesota DNR. DU land protection staff will work with private landowners to purchase or secure donated permanent conservation easements on 20 acres of shoreland or lake outlet tracts. The goal is to protect managed shallow lakes by limiting future shoreland subdivision and development, and to protect outlets and secure permanent access to them for management. Priority shallow lakes will be those actively managed by DNR. DU annually monitors and enforces the terms of all DU conservation easements held through our conservation easement stewardship program.

III. PROGRESS SUMMARY:

All Habitat Conservation Partnership progress summaries (twice annually) will be generated by the Partnership online reporting system. This system provides an accomplishment, expenditure and narrative update to LCCMR for each individual work plan.

IV. OUTLINE OF PROJECT RESULTS:

Result 1: Living Lakes Easements (HCP Part 3c)

Description:

DU will provide technical assistance and outreach to promote conservation easements to (1) secure one new purchased or donated conservation easement on 20 acres, (2) negotiate new potential easements for future acquisition, and (3) provide stewardship for new easements secured through this grant.

DU land protection staff biologists will work with private landowners on managed shallow lakes to purchase or secure the donation of one or more permanent conservation easements on 20 acres of shoreland or lake outlet tracts. DU will work with private landowners to protect sensitive shallow lake shoreland on managed basins with improved water quality and wetland ecology (aquatic plants and invertebrates) to protect the state's investment in management time and infrastructure. These may include both prairie shallow lakes and forested wild rice lakes managed for wildlife by the Minnesota DNR in HCP Project Areas. ENRTF grant funds will be used to pay for DU professional staff time to promote conservation easements to landowners and negotiate terms and conditions of individual easements (due diligence), appraisals, title clearance and other legal services, boundary surveys, baseline condition documentation reports, for DU staff time to administer this grant, and for the cost of future annual stewardship and monitoring of permanent conservation easements secured through this grant. The use of ENRTF grant funds by DU for future stewardship of permanent conservation easements was approved in DU's 2005 LCCMR grant work program, which included significant detail on how these funds will be managed and spent over time by DU and DU's affiliate Wetlands America Trust (WAT).

Trust funds needed for annual easement monitoring and stewardship will be calculated for each easement using the DU easement endowment worksheet table (previously appended and approved for use by LCCMR staff in 2005 grant to DU) which captures all anticipated expenditures for easement monitoring and stewardship. Estimated stewardship costs will vary due to variation in size and location of easements, complexity in land configuration, condition, and habitat types, and the terms and conditions outlined in the easement. Stewardship funds will be managed in a separate WAT easement stewardship account according to the DU Board's investment policy. Trust funds for easement monitoring and stewardship will be received by DU National Headquarters in Memphis, Tennessee, and will be immediately transferred to the WAT endowment account. The stewardship money will be held in a restricted endowment to be used only for the stewardship on specific easements acquired with the Trust Fund money. Furthermore, the restricted endowment will be invested according to the policies set forth in DU and WAT's Investment Policy as described in the May 31, 2005

letter from DU Controller Bob Mims to LCCMR Director John Velin. DU staff costs to monitor easements and provide easement stewardship will be billed to specific easement project account codes on an annual basis, and funds to cover this expense will be made available from the WAT easement endowment to the DU regional office budget to cover these annual costs. Copies of the most recent WAT audited financial statements are available for LCCMR staff review at any time upon their request.

DU considers the enforcement and defense of the terms and conditions of the conservation easement as an operational cost, and DU understands that this obligation may require the additional expenditure of DU funds to enforce the terms of the easement. WAT adopted the *Land Trust Standards and Practices* published by the Land Trust Alliance in 2004 on April 23, 2005 as technical guidelines for the organization's operation. DU has further outlined conservation easement stewardship management and enforcement procedures for DU staff in a land protection handbook. To accommodate the need to record a notice of ETF funding restrictions on the deed to lands encumbered by ETF-funded conservation easements, DU will include the following language in all conservation easement documents secured with full or partial ETF reimbursement through this LCCMR grant:

“WHEREAS, Wetlands America Trust, Inc. acquired this Easement with funding from the Minnesota Environment and Natural Resources Trust Fund (“Trust Fund”) pursuant to a grant agreement between the Trust Fund and Ducks Unlimited, Inc. dated _____.
Wetlands America Trust, Inc. is placing this notice on record as confirmation of its obligation as set forth in the grant agreement and in accordance with *Minnesota Statutes Section 116P.15*, states the following: “This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement or work program controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Legislative and Citizens Commission on Minnesota Resources or its successor. If the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or work program, ownership of the interest in real property shall transfer to this state.”

Annual reports on monitoring and management of easements acquired with ENRTF funding will be made to LCCMR staff. Work on these easements (Result 2, HCP Phase 6 Supplemental Part 3c) by DU may begin on or after July 1, 2010, possibly in conjunction with DU's 2009 HCP Phase 6 Part 3c shallow lake easement work with LCCMR staff approval.

DU may use up to \$3,000 (4% of this \$75,000 grant) personnel costs of grant administration and coordination.

A map and potential project list follows for shallow lakes on which DU permanent conservation easements may be secured:

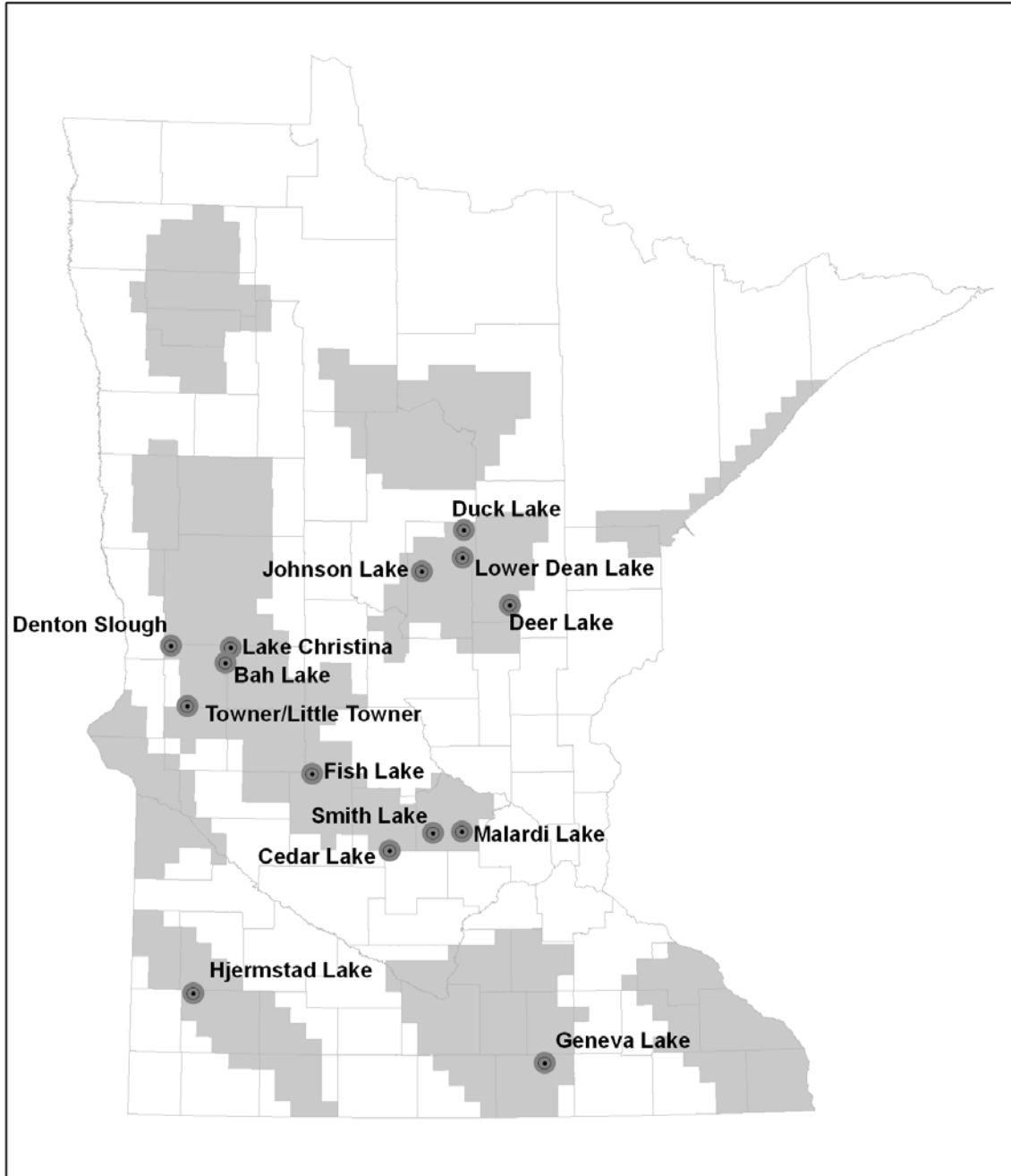
Potential Project List*	Easements	Part 3c			
<u>Project Name</u>	<u>Type of work</u>	<u>Estimated Acres</u>	<u>Estimated Total Cost</u>	<u>County</u>	<u>Project Area</u>
Fish Lake	Easement	183	\$100,000	Stearns	3
Lake Christina	Easement	100	\$300,000	Douglas	3
Bah Lake	Easement	20	\$40,000	Douglas/Grant	3
Denton Slough	Easement	10	\$20,000	Grant	3
Towner Lake	Easement	31	\$20,000	Grant	3
Smith Lake	Easement	20	\$40,000	Wright	3
Malardi Lake	Easement	20	\$40,000	Wright	3
Cedar Lake	Easement	20	\$40,000	Meeker	3
Deer Lake	Easement	40	\$30,000	Aitkin	4
Duck Lake	Easement	120	\$50,000	Crow Wing	4
Lower Dean Lake	Easement	66	\$50,000	Crow Wing	4
Johnson Lake	Easement	20	\$20,000	Crow Wing	4
Geneva Lake	Easement	20	\$50,000	Freeborn	10
Hjermstad Lake	Easement	200	\$200,000	Murray	9

*Please note that these are potential projects & just because a project is listed, does not mean it will be completed. All projects are done on public lands or in cooperation with willing private landowners. Projects not on this list that meet the strategic objectives of the Partnership may be added at any time via submittal of a project list amendment.

2010 LCCMR Habitat Conservation Partnership Supplemental Grant



Project Lake Locations for Potential DU Conservation Easements



● Ducks Unlimited Project Lake Location

Summary Budget Information for Result 2: Trust Fund Budget: \$ 75,000
Amount Spent: \$ 0
Balance: \$ 75,000

Deliverable	Completion Date	Budget	Status
1. Conservation Easement (20 acres)	6/30/2010	\$ 35,000	Ongoing
2. Technical Assistance to Landowners	6/30/2010	\$ 20,000	Ongoing
3. Future Stewardship of Easement(s)	Ongoing	\$ 20,000	Ongoing

Completion Date: Ongoing, June 30, 2011

Result Status as of:

All Habitat Conservation Partnership progress summaries will be generated by the Partnership online reporting system. This system provides an accomplishment, expenditure and narrative update to LCCMR for each individual work plan.

Final Report Summary:

The final report will be generated by the Partnership online reporting system and will include the project abstract, and detailed accounting of expenditures and accomplishments for individual work plans.

V. TOTAL TRUST FUND PROJECT BUDGET: \$75,000

Personnel:	\$ 20,000 (DU land biologist and manager)
Equipment:	\$ 0
Contracts:	\$ 8,000 (appraisals, baseline reports, etc.)
Acquisition, including easements:	\$ 25,000 (permanent DU easements)
Travel (in-state):	\$ 2,000 (travel to projects)
Other (easement stewardship):	\$ 20,000 (easement monitoring stewardship)
TOTAL TRUST FUND BUDGET:	\$ 75,000

Explanation of Capital Expenditures Greater Than \$3,500: Not anticipated.

VI. PROJECT STRATEGY:

A. Project Partners: This project is part of the Habitat Conservation Partnership Phase VI Supplemental appropriation. Please reference the overall HCP work program. All DU shallow lake projects will be completed in partnership with the Minnesota DNR, U.S. Fish & Wildlife Service, and willing private landowners. DU will work especially closely with the Minnesota DNR Division of Fish & Wildlife's Shallow Lakes Program. Some private land easement leads on lakes not managed for waterfowl will be referred to the Minnesota Land Trust, DNR, U.S. Fish & Wildlife Service, or other land trust.

B. Project Impact and Long-term Strategy:

DU shallow lake improvement and protection projects help achieve the goals of Minnesota's Long Range Duck Recovery Plan that calls for the management and protection of 1,800 shallow lakes statewide. Further, it address the shallow lake conservation objectives and strategies of the Statewide Conservation and Preservation Plan developed for the LCCMR. Finally, our work is done in partnership with both the Minnesota DNR Shallow Lakes Program and USFWS Wetland Management Districts and National Wildlife Refuge System that will manage our shallow lake enhancement projects. DU will annually monitor and manage conservation easements secured through this grant on behalf of our Wetlands America Trust (WAT) affiliate and DU will vigorously enforce and defend each easement in perpetuity.

C. Other Funds Proposed to be Spent during the Project Period:

DU estimates that \$25,000 in DU and other partner funds will be spent or donated in land value by private landowners through this grant.

D. Spending History: DU received and is spending \$475,000 in 2009/2010 through HCP#6 (M.L. 2009, Chap. 143, Sec. 2, Subd. 4e2c3c). DU also received and spent \$330,000 in 2008/09 through HCP#5 (ML 2008, Chap. 367, Sec. 2, Subd. 3c), \$500,000 in 2007 through HCP#4 (Legal Citation: ML 2007, Chapter 30, Section 2, Subdivision 4b) and \$180,000 in 2008 through HCP#5 (Legal Citation: ML 2008, Chapter 367, Section 2, Subdivision 3c) for shallow lake enhancement and conservation easements projects.

VII. DISSEMINATION: Accomplishment Reports and press releases will be made available at <http://www.mnhabitatcorridors.org>.

VIII. REPORTING REQUIREMENTS:

Periodic work program progress reports will be submitted not later than December 1, 2010 and June 1, 2011. A final work program report and associated products will be submitted between June 30 and August 1, 2011 as requested by the LCCMR. All reports will be generated using the HCP online reporting system.

IX. RESEARCH PROJECTS: Not Applicable.

Attachment A: Budget Detail for 2010 Projects - Summary and Budget Page							
Project Title:		Shallow Lake Easements (3c)					
Project Manager Name:		Minnesota's Habitat Conservation Partnership (Phase 6) Supplemental Jon Schneider, Ducks Unlimited (DU)					
Trust Fund Appropriation: \$ 75,000		DATE: Jan 28, 2010					
2010 Trust Fund Budget		<u>Result 1 Budget:</u>	Amount Spent	Balance	TOTAL BUDGET	TOTAL SPENT	TOTAL BALANCE
		Living Lakes Easements					
BUDGET ITEM							
PERSONNEL: wages and benefits for DU land biologist (0.22 FTE), and conservation program manager (0.03 FTE).		20,000		20,000	20,000	0	20,000
CONTRACTS: construction of water structures, purchase of easements, contracted professional services such as soils investigation, title clearance, appraisal, legal work, and baseline documentation.				0	0	0	0
Professional/technical (consultant engineering and environmental services)			0	0	0	0	0
Land rights acquisition (easements)		25,000	0	25,000	25,000	0	25,000
Professional Services for Acquisition		8,000	0	8,000	8,000	0	8,000
Construction			0	0	0	0	0
TRAVEL (in-state)		2,000	0	2,000	2,000	0	2,000
OTHER (easement monitoring stewardship)		20,000	0	20,000	20,000	0	20,000
COLUMN TOTAL		\$75,000	\$0	\$75,000	\$75,000	0	75,000