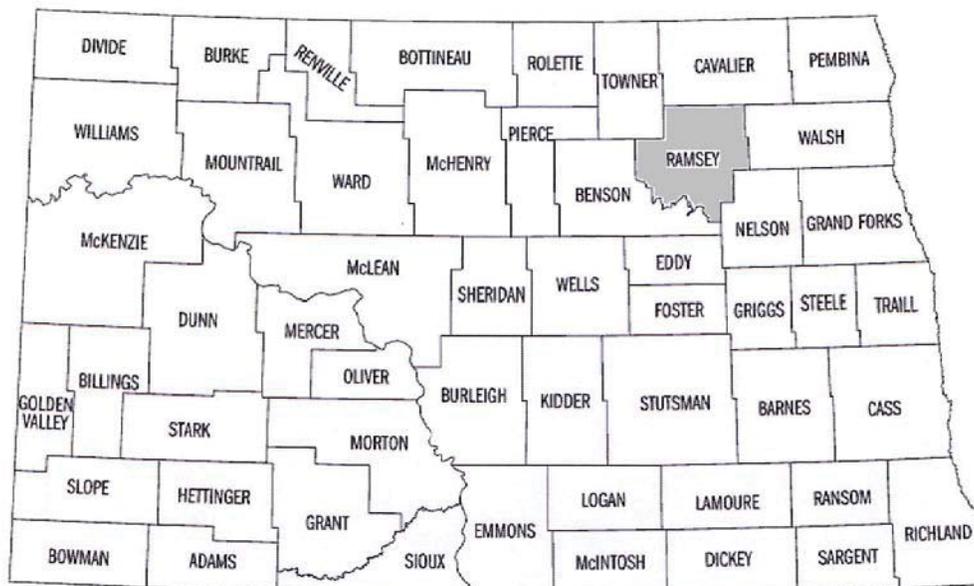


NORTH DAKOTA GAME AND FISH DEPARTMENT
LAND ACQUISITION PROPOSAL
JOHNSON FARMS
WILDLIFE MANAGEMENT AREA
Approximately 1,793.36 ACRES
RAMSEY COUNTY



Background

In the spring of 2011 the Johnson Farms, of Walhalla, North Dakota evaluated their property in Ramsey County for alternatives to their current land management. The Johnson Farms submitted an application to the USDA Natural Resources Conservation Service's (NRCS) Wetland Reserve Program. (WRP) Under the terms of the WRP all wetlands would be restored to full capacity and all uplands would be planted to native vegetation. The application was reviewed by NRCS and received a favorable ranking. A WRP offer was sent to Johnson Farms to enroll into the program. The Johnson Farms approached the North Dakota Game and Fish Department about their interest to enroll this property into the WRP and then sell their residual property value to the ND Game and Fish Department. The ND Game and Fish Department and conservation partners' interest is in pursuing a multiagency, multipurpose project on this property. The North Dakota Game and Fish Department would be the primary agency for property purchase, with additional organization and grant fund support. The multipurpose aspect would involve water storage, water management, public use, and conservation habitat. This property was part of the potential package of willing sellers brought forth to the House Appropriations subcommittee of the Legislature during the 62nd Legislative Assembly.

In exploring the multiagency, multipurpose spirit of the acquisition a request was presented to the North Dakota State Water Commission (SWC) in June 2011 for funding. The SWC Board of Directors chaired by Governor Jack Dalrymple, approved funding for the participation in the Johnson Farms water storage acquisition (see attached supporting documentation).

In addition, the SWC, North Dakota Natural Resources Trust, and ND Game and Fish Department offered their funds as match toward a North American Wetlands Conservation Act application for the acquisition. The grant received favorable ranking and the grant has been awarded. These funding sources and associated contributions are listed on page

An agricultural appraisal has been completed for this property by Paul Vorachek of AgCountry Farm Credit Services of Grand Forks, ND in July 2011. The property was appraised at \$2,220,000. A copy of the appraisal is available upon request. The ND Game and Fish Department has entered into a

purchase option with Johnson Farms which finalizes the final price for the sale of the property should it be appropriately approved.

Legal Description

Approximately 1,793.36 acres located in Ramsey County, within Sections 5,6,7,8,18, T.156 N., R.61W., and within Section 33 T.156 N., R.61W.

T.156 N., R.61W.

Section 5, S $\frac{1}{2}$	317.48 acres
Section 6, SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$ <i>(excludes SE$\frac{1}{4}$SE$\frac{1}{4}$SE$\frac{1}{4}$ approx. 10 acres)</i>	218.14 acres
Section 7, NE $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$	628.04 acres
Section 8, N $\frac{1}{2}$	317.48 acres
Section 18, NW $\frac{1}{4}$	159.69 acres

T.157 N., R.61W.

Section 33, SE $\frac{1}{4}$	152.53 acres
Total	1,793.36 acres

The Johnson Farms property is approximately 1793.36 acres of land with extensive wetlands in Ramsey County located six to eight miles southwest of Edmore in Triumph and Fancher Township (see attached map). The property has a high abundance of wetlands scattered throughout the property making traditional cropping difficult. The property is located near the Edmore Coulee which is a direct inlet to Devils Lake.

This purchase by the ND Game and Fish Department and enrollment into WRP would ensure wetland and upland protection securing long term water storage. The close proximity to the Edmore Coulee and Devils Lake makes this property a prime location for watershed storage. Ownership by the ND Game and Fish Department will provide responsible noxious weed control and payment of full property taxes. The property will be managed as a public use area open year-round, which is increasingly important in the northeast for resident and nonresidents.

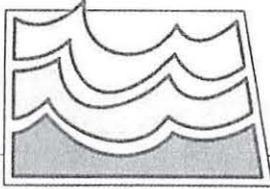
This multipurpose project would represent an efficient and effective partnership securing multiple flood control and other public benefits at an extremely economical cost to the State of North Dakota.

Positive aspects of the project include:

- The property is scheduled to be enrolled in the Wetland Reserve Program for the next 30 years, which means the wetlands must stay intact and the upland acres will be grass cover. Cropping would not be allowed for the length of the contract.
- State Water Commission estimates approximately 631 acre-feet of water will be stored over existing conditions and not enter Devils Lake.
- Full property taxes will be paid on the property as provided in North Dakota Century Code 57-02.1.
- The Devils Lake region attracts high numbers of resident and non-resident waterfowl hunters to the area. This area would be open to public access in an area where little public access is allowed, therefore providing a great deal of public hunting opportunity.
- The area would primarily provide habitat for waterfowl, white tailed deer, and sharp tailed grouse.

Cost Estimates

ND Game and Fish Department	\$ 175,000
USDA Natural Resources Conservation Service WRP	\$1,244,000
North American Wetlands Conservation Act Grant	\$ 601,000
ND State Water Commission	\$ 125,000
<u>North Dakota Natural Resources Trust</u>	<u>\$ 75,000</u>
Total Project	\$2,220,000



North Dakota State Water Commission

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Agenda (9)

MEMORANDUM

TO: Governor Jack Dalrymple
State Water Commission Members

FROM: *TSD* Todd Sando, Chief Engineer and Secretary

SUBJECT: Johnson Farms Water Storage

DATE: June 10, 2011

The State Water Commission (SWC) is committed to a three-pronged approach to flooding in the Devils Lake basin, of which upper basin water management is an integral part. Several programs exist to store water, including the Extended Storage Acreage Program (ESAP), and projects by the ND Natural Resources Trust (Trust), and the U.S. Fish and Wildlife Service. The new Devils Lake Executive Committee action plan has reinforced and placed emphasis on the need to increase upper basin storage where possible.

The Trust is pursuing a plan to acquire privately held land for a multipurpose, multi-wetland restoration project in northeastern Ramsey County. SWC staff has estimated that this project will store approximately 631 acre-feet of additional water over existing conditions. The project requires commitments from multiple funding sources, including the Wetland Reserve Program (WRP), the North American Wetlands Conservation Act, ND Game and Fish, and the Trust. The project will put the land under a 30-year WRP easement with the ND Game and Fish taking title to the land for use as a public access wildlife conservation area. Total project cost is estimated at \$2,048,000, and would result in long-term water storage on land available for public use.

The Trust has requested water storage funding from the SWC in the amount of \$125,000. If approved, the SWC will develop a seven-year contract for water storage at the Johnson Farms site. Annual inspections will be conducted to ensure water storage at the site for the duration of the agreement. This expenditure equates to about \$30.00/acre-foot per year of storage for the duration of the contract, which is comparable to the rates paid for our existing ESAP temporary storage easements.

The acquisition plan developed by the Trust involves several partners and as a result has several contingencies. Contingencies will be spelled out in a formal Memorandum of Understanding. Should any of the partners fail to fulfill their commitment, the SWC contribution would be withheld.

I recommend the Commission approve a total of \$125,00 to fund the Johnson Farms water storage site for seven years. Funding is contingent upon the availability of funds appropriated to the State Water Commission in the 2011-2013 biennium.

LK:MN:dp/416

MINUTES

North Dakota State Water Commission Bismarck, North Dakota

June 21, 2011

The North Dakota State Water Commission held a meeting at the State Office Building, Bismarck, North Dakota, on June 21, 2011. Governor Jack Dalrymple, Chairman, called the meeting to order at 8:30 A.M., and requested Todd Sando, State Engineer, and Chief Engineer-Secretary to the State Water Commission, to call the roll. Governor Dalrymple announced a quorum was present.

STATE WATER COMMISSION MEMBERS PRESENT:

Governor Jack Dalrymple, Chairman
Kenneth Junkert, representing Doug Goehring, Commissioner,
North Dakota Department of Agriculture, Bismarck
Arne Berg, Member from Devils Lake
Maurice Foley, Member from Minot
Larry Hanson, Member from Williston
Jack Olin, Member from Dickinson
Harley Swenson, Member from Bismarck
Robert Thompson, Member from Page
Douglas Vosper, Member from Neche

OTHERS PRESENT:

Todd Sando, State Engineer, and Chief Engineer-Secretary,
North Dakota State Water Commission, Bismarck
State Water Commission Staff
Approximately 50 people interested in agenda items

The attendance register is on file with the official minutes.

The meeting was recorded to assist in compilation of the minutes.

CONSIDERATION OF AGENDA

There being no additional items for the agenda, Governor Dalrymple announced the agenda approved as presented.

DEVILS LAKE BASIN FLOOD WATER STORAGE - APPROVAL OF STATE COST PARTICIPATION FOR JOHNSON FARMS WATER STORAGE (\$125,000) (SWC Project No. 416)

The State Water Commission is committed to a three-prong approach to flooding in the Devils Lake basin, of which upper basin water management is an integral part. Several programs exist relative to the storage of water including

the Extended Storage Acreage Program (ESAP), and projects by the North Dakota Natural Resources Trust, and the U.S. Fish and Wildlife Service. The new Devils Lake executive committee action plan has reinforced and placed emphasis on the need to increase upper basin storage where possible.

The North Dakota Natural Trust is pursuing a plan to acquire privately-held land for a multi-purpose, multi-wetland restoration project in northeastern Ramsey county, which could store approximately 631 acre-feet of additional water over existing conditions. The project will put the land under a 30-year Wetland Reserve Program easement with the North Dakota Game and Fish Department taking title to the land or use as a public access wildlife conservation area. The total project cost is estimated at \$2,048,000, and requires commitments from multiple funding sources including the Wetland Reserve Program, North American Wetlands Conservation Act, North Dakota Game and Fish Department, and the North Dakota Natural Resources Trust.

A request from the North Dakota Natural Resources Trust was presented for the State Water Commission's consideration for state cost participation in the amount of \$125,000 to develop a seven-year contract for water storage at the Johnson Farms site that would include annual inspections to ensure water storage at the site. This expenditure equates to about \$30.00/acre-foot per year of storage for the duration of the contract, which is comparable to the rates for the existing ESAP temporary storage easements.

Commissioner Olin disclosed that he currently serves on the North Dakota Natural Resources Trust board of directors, and questioned if a conflict of interest exists relative to this project. Governor Dalrymple stated this disclosure would not be considered a conflict of interest.

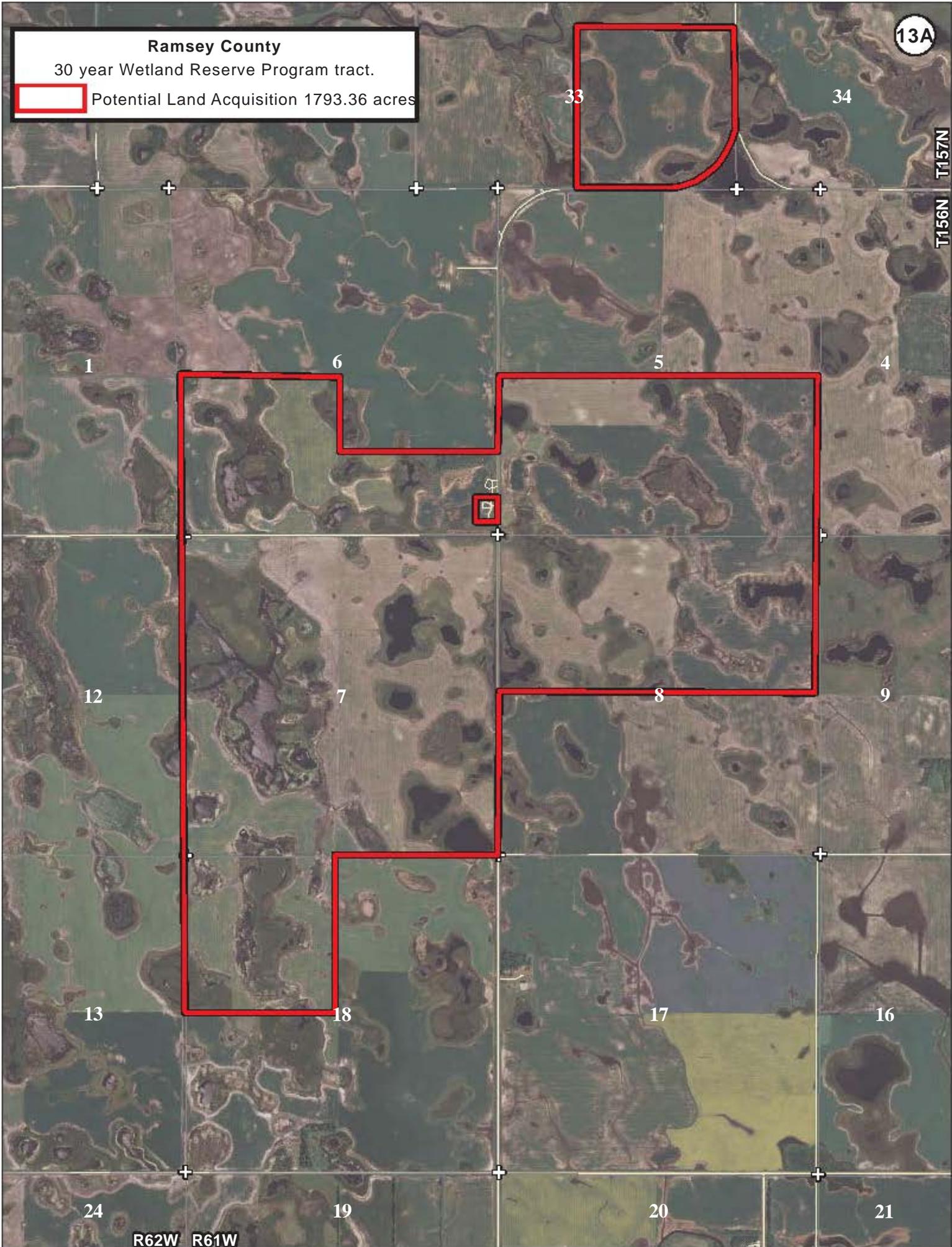
It was the recommendation of Secretary Sando that the State Water Commission approve state cost participation not to exceed an allocation of \$125,000 from the funds appropriated to the State Water Commission in the 2011-2013 biennium (S.B. 2020), to the North Dakota Natural Resources Trust to support the Johnson Farms water storage site under a seven-year contract.

It was moved by Commissioner Swenson and seconded by Commissioner Vosper that the State Water Commission approve state cost participation not to exceed an allocation of \$125,000 from the funds appropriated to the State Water Commission in the 2011-

2013 biennium (S.B. 2020), to the North Dakota Natural Resources Trust to support the Johnson Farms water storage site under a seven-year contract. This action is contingent upon the availability of funds.

Commissioners Berg, Foley, Hanson, Olin, Swenson, Thompson, Vosper, and Governor Dalrymple voted aye. There were no nay votes. Kenneth Junkert representing Commissioner Goehring abstained from voting. Governor Dalrymple announced the motion carried.

Ramsey County
30 year Wetland Reserve Program tract.
Potential Land Acquisition 1793.36 acres



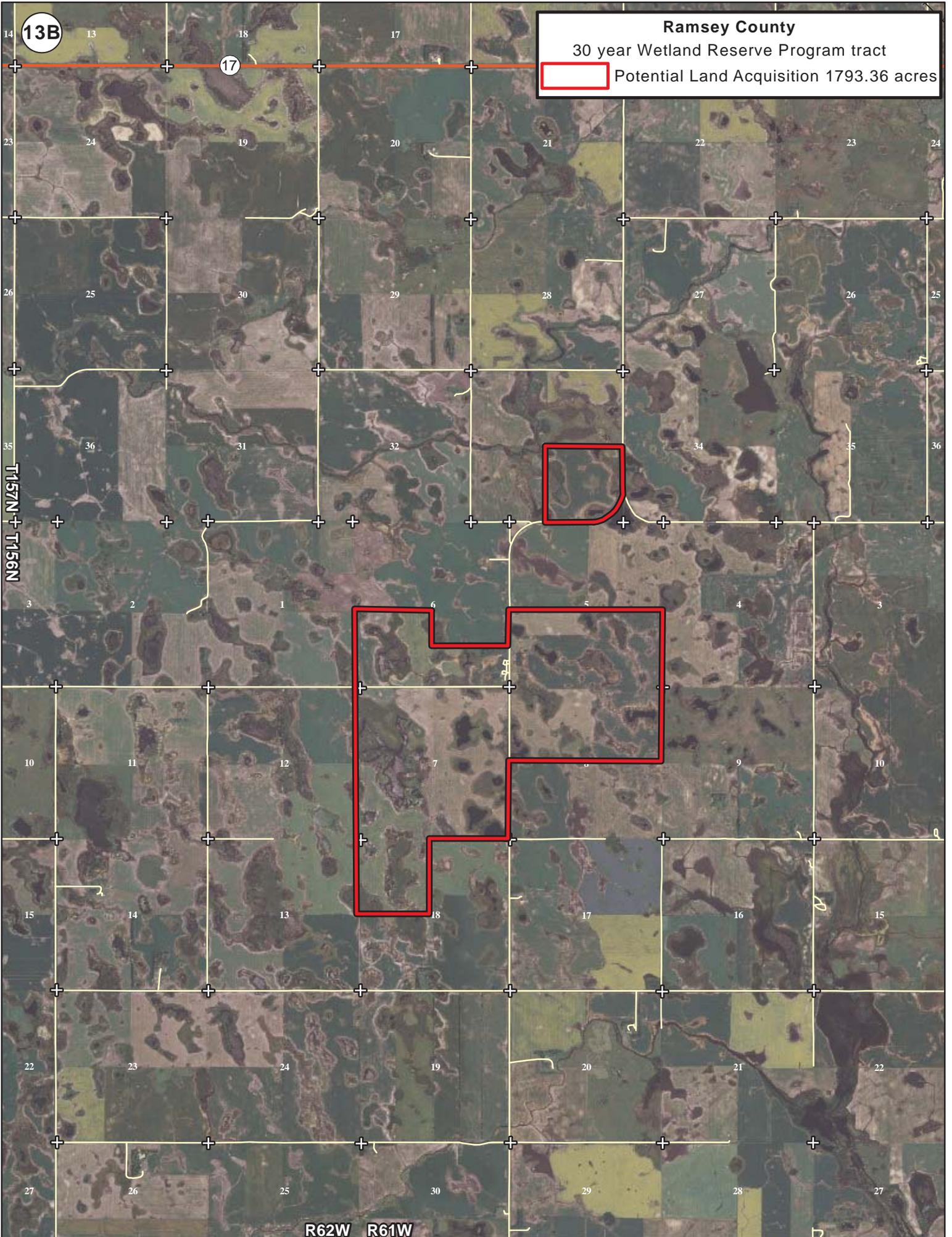
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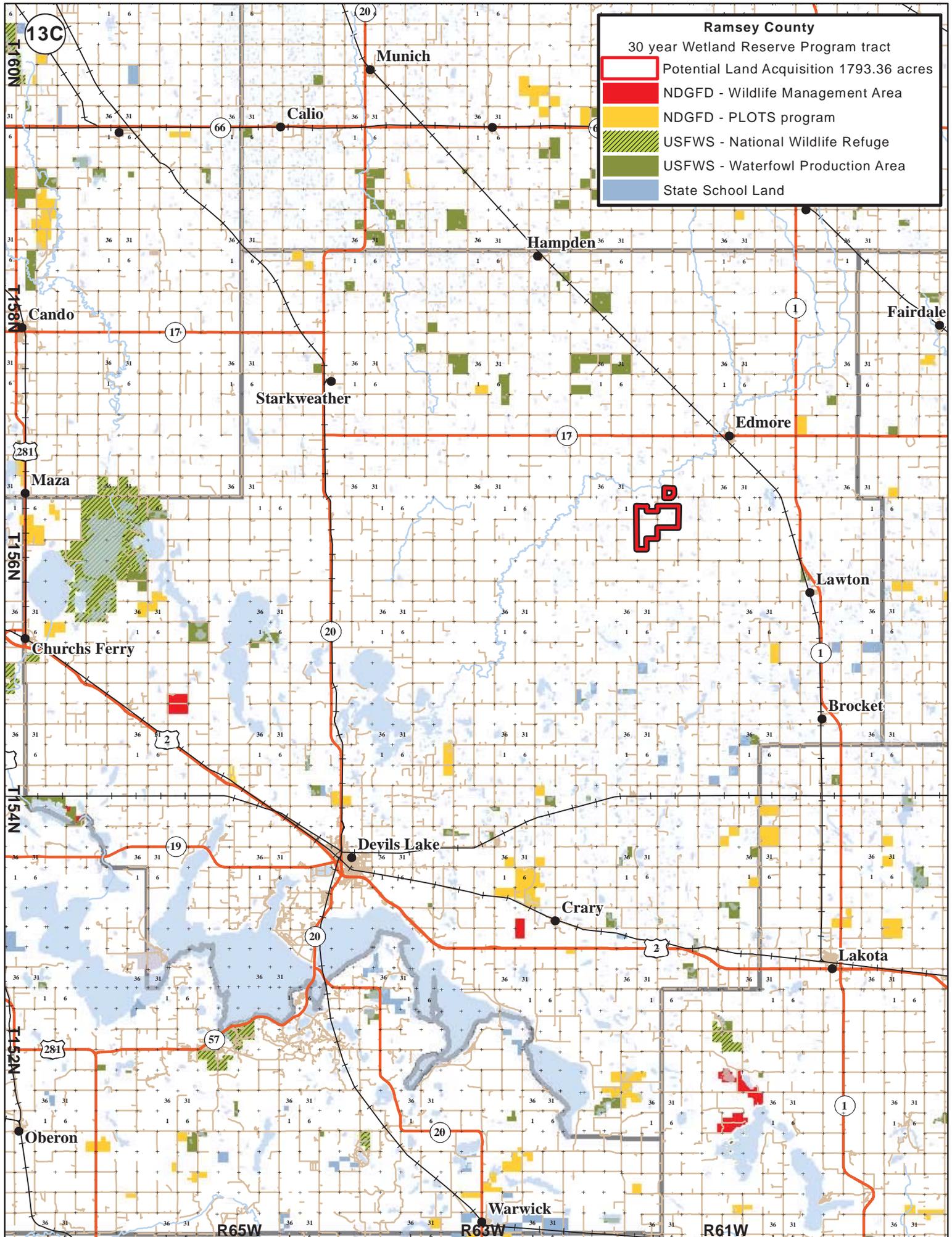
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Ramsey County

30 year Wetland Reserve Program tract

Potential Land Acquisition 1793.36 acres





13C

Munich

Calio

Hampden

Cando

Fairdale

Starkweather

Edmore

Maza

Churchs Ferry

Lawton

Brocket

Devils Lake

Crary

Lakota

Oberon

Warwick

R65W

R63W

R61W