Landowner Interest in the WAFWA Program

Term Contracts

- Currently there are 31 active term applications on file spanning >195,000 acres which far exceeds our current needs. Applications continue to be submitted despite little promotion.

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Active Term Applications</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed Grass</td>
<td>14</td>
<td>149,204</td>
</tr>
<tr>
<td>Sand Sagebrush</td>
<td>7</td>
<td>29,883</td>
</tr>
<tr>
<td>Shinnery Oak</td>
<td>5</td>
<td>9,907</td>
</tr>
<tr>
<td>Shortgrass</td>
<td>6</td>
<td>8,099</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
<td><strong>197,094</strong></td>
</tr>
</tbody>
</table>

Permanent Agreements

- The WAFWA staff are regularly contacted by landowners and conservation organizations with potential sites (easement and fee title). Additionally, the WAFWA staff are also continually searching for properties that meet our objectives.
- The WAFWA staff develop proposals for LPCI consideration at the summer and winter WAFWA meetings for all viable properties.

WAFWA Executed Agreements

General Contract Information

- The WAFWA has 1 non-offset agreement in the mixed grass that covers 8,912 acres. These agreements do not generate mitigation credits but provided the landowner with take exemptions through the 4(d) rule while the LPC was federally listed.
- Mitigation credits are being generated from 13 term contracts and 1 permanently conserved site.
- The WAFWA has also acquired the title to a 30,000-acre ranch in the sand sagebrush that is almost entirely in CHAT 1 but the site won’t generate mitigation credits until later this fall.

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Term Contracts</th>
<th>Permanent Agreements</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Acres</td>
<td>CHAT 1 &amp; 2 (%)</td>
<td>Acres</td>
</tr>
<tr>
<td>Mixed Grass</td>
<td>62,473</td>
<td>70.2%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>62,473</td>
</tr>
<tr>
<td>Sand Sagebrush</td>
<td>12,689</td>
<td>100.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12,689</td>
</tr>
<tr>
<td>Shinnery Oak</td>
<td>16,105</td>
<td>87.5%</td>
<td>1,563</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>17,667</td>
</tr>
<tr>
<td>Shortgrass</td>
<td>9,522</td>
<td>99.0%</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>9,522</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100,789</strong></td>
<td><strong>79.4%</strong></td>
<td><strong>1,563</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>102,352</strong></td>
</tr>
</tbody>
</table>
**Conservation Practices**

- There are 12 rangeland conservation plans and 2 planted grass management plans being implemented. All range plans include the core practice of prescribed grazing and all planted grass plans include at least 1 disturbance practice during the life of the agreement.
- Practice prescriptions follow the NRCS standards identified in the USFWS biological opinion of their LPC initiative with the exception of grazing which is applied more conservatively (33% utilization).
- Restoration practices have been completed on 11,492 acres across 6 different contracts. There are an additional 5,439 acres prescribed for future years. Restoration activities will have occurred on 16.5% of the acreage generating mitigation credits during the life of the agreements.

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Completed Acres of Range Planting</th>
<th>Completed Acres of Brush Management (Mechanical)</th>
<th>Completed Acres of Brush Management (Chemical)</th>
<th>Total Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed Grass</td>
<td>0</td>
<td>1,558</td>
<td>0</td>
<td>1,558</td>
</tr>
<tr>
<td>Sand Sagebrush</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Shinnery Oak</td>
<td>320</td>
<td>1,486</td>
<td>8,128</td>
<td>9,934</td>
</tr>
<tr>
<td>Shortgrass</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>320</td>
<td>3,044</td>
<td>8,128</td>
<td>11,492</td>
</tr>
</tbody>
</table>

**WAFWA Conservation Expenditures**

- The WAFWA has expended $2,415,976 on term agreements to cover sign-up incentives, restoration payments, and annual maintenance payments. An additional $13.2 million is obligated to these agreements including the fall 2016 maintenance payments which are expected to exceed $1 million.
- The annual cost to conserve the 2 WAFWA permanent conservation sites will be $26.98 per acre over the next 25 years. That amount will cover all acquisition and management expenditures.

**WAFWA Mitigation Unit Balances**

- Industry participants have paid 2:1 mitigation for 41,417 impacted acres of which 82% was located in CHAT 3 & 4. Those impacts have been more than offset by the >102,000 acres contained in executed WAFWA conservation agreements of which nearly 80% is located in CHAT 1 &2.
- Offset units generated in 2016 from executed agreements have not yet been entered into the ledger so the balances will increase drastically in the coming weeks.

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Current Impact Units</th>
<th>Current Offset Units</th>
<th>Current Offset Unit Balance</th>
<th>Forecast Offset Unit Balance at end of Calendar Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mixed Grass</td>
<td>27,608</td>
<td>33,872</td>
<td>6,264</td>
<td>28,540</td>
</tr>
<tr>
<td>Sand Sagebrush</td>
<td>1,670</td>
<td>8,195</td>
<td>6,525</td>
<td>8,774</td>
</tr>
<tr>
<td>Shinnery Oak</td>
<td>2,125</td>
<td>10,428</td>
<td>8,302</td>
<td>17,659</td>
</tr>
<tr>
<td>Shortgrass</td>
<td>1,401</td>
<td>3,086</td>
<td>1,686</td>
<td>2,526</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>43,647</td>
<td>55,581</td>
<td>22,778</td>
<td>57,499</td>
</tr>
</tbody>
</table>
Pending WAFWA Conservation Enrollments

- The WAFWA is currently completing the due diligence on 1 permanent conservation site in the sand sagebrush. The mitigation credits for that site will be added to the ledger later this fall when all the components of the 2003 USFWS Conservation Banking Policy have been put in place.
- Funds have been obligated for 1 new 10-year term contract in the mixed grass covering ~12,0000. That contract is under development and implementation is scheduled to begin next spring.
- The LPCIC has obligated funds to 4 new permanent conservation sites. The WAFWA staff are currently negotiating the terms and preparing the conservation plans for those properties.

Progress Towards Collective 10-year Conservation Goals in RWP

Breeding Population Size

- The 10-year moving average population currently sits at 38,929 which is 58% of the 67,000 bird goal. The current regional averages all fall below the stated goals too (Mixed Grass = 50%, Shortgrass = 84%, Shinnery Oak = 46.8%, Sand Sagebrush = 22.2%).

Habitat Restoration

- The range-wide goals for cropland restoration and impact remediation are 953,693 and 27,820, respectively. There is not a specific goal in the RWP for mechanical brush management because the extent of the problem was not well known at the time the RWP was drafted.
- During the first 2 years of RWP implementation, the WAFWA participants have completed 320 acres of cropland restoration and remediated 2,101 acres of existing impacts. Sufficient data have not been provided by our conservation partners to fully assess progress towards the restoration goals.

Habitat Availability

- The RWP established goals of 70% and 40% LPC occupancy for focal area and connectivity zone reporting units, respectively. These goals will not be assessed until after the 5th year of RWP implementation at which point an occupancy model will be developed to assess progress.

Permanent Conservation

- The goal is to establish at least 1 stronghold in each ecoregion. A stronghold is at least 25,000 acres and includes at least 6 leks, consists of >65% grassland, contains verifiable long-term development protection, all the LPC habitat needs, management certainly, and habitat connectivity.
- The WAFWA site in the sand sagebrush meets all the criteria to be considered as a stronghold.
- The WAFWA has also conserved 1,563 acres in the shinnery oak ecoregion. There are 12,239 acres on the nearby WMA that are also permanently conserved. This complex of properties does not qualify as a stronghold because it does not meet the acreage criteria. Nearby properties will be high priority targets when funds are available for new permanent conservation sites in this ecoregion.
- The WAFWA has not yet acquired any permanent conservation in the mixed grass or shortgrass ecoregion but funds have been obligated to pending projects in both regions.
- There are also potential qualifying acreages in the Shinnery Oak and Sand Sagebrush that have been conserved by our partners. The WAFWA is currently trying to determine the exact spatial extent of those properties so we can more accurately assess progress towards the stronghold goals.
Lesser Prairie-Chicken Initiative Council Meeting
Industry Service Update

September 13, 2016

1. Enrollments and Terminations
   • Enrollment has remained constant since the last LPCIC meeting in July.
   • No new enrollments or terminations
   • Current enrollment is roughly 10.4 million acres and 170 companies

2. Implementation of the WAFWA Policy to Address Non-payment of Enrollment Fees
   • This policy was developed to address non-payment of enrollment fees in a clear and consistent fashion for all participant companies.
   • >95% of the enrollment fees for the CCAA and WCA have been paid. This policy addresses current and future past-due fees.
   • The policy was approved by the LPCIC in July.
   • On August 3, the policy was emailed and sent by registered mail to 25 companies with delinquent accounts, notifying them of the 60-day timeline to address their past-due balance effective as of the date of the letter. The policy was shared with the remaining participant companies whose accounts are current via email on August 4.
   • Since that notification 13 companies have resolved their outstanding balances with payments totaling $38,212.95
   • The current past-due enrollment fee balance is $1,335,835.90, representing 31 companies
   • The past-due enrollment fee balance currently represents 2.1% of all enrollment fees.
   • We are continuing to work with the remaining past-due companies. Those who cannot pay their balance or agree to a payment plan may be terminated with LPCIC approval.

3. Mitigation update
   • The decline in oil and gas prices continues to affect energy development in all sectors throughout the region.
   • The number of projects submitted to WAFWA for field evaluation and mitigation has declined significantly since 2014 due to this industry downturn.
     o 756 projects in 2014
     o 409 projects in 2015
     o 115 projects to date in 2016
   • Expected mitigation totals for 2016 are down about 50% from last year
   • Most of the projects that are being submitted are in areas that are previously developed, which means they have little impact on LPCs and generate very little mitigation.
   • The October 1 reporting deadline is approaching. Companies are required to estimate their mitigation needs for 2017 and pre-pay for mitigation needs beyond their current balance.
     o WAFWA is not expecting significant mitigation needs for 2017 unless the oil and gas industry rebounds.
   • WAFWA is also reviewing 2-3 potential wind projects for mitigation in 2017
Call to Order

Welcome

Council Update. Alexa Sandoval gave an update on Council activities and discussed the agreement that WAFWA is working on with PF and NRCS for technical assistance. Priority will be placed on the positions having range conservation abilities to assist with RWP and LPCI activities. Five positions will be strategically located across the LPC range to better address the needs of the programs.

Finance Update. Deb Von De Bur provided a financial update on the RWP.

Conservation Update. Jim
- Landowner interest (i.e. applications on file and acreage)
- Current conservation enrollment by ecoregion, CHAT category, and duration
- Completed and prescribed restoration practices by ecoregion
- Progress towards collective conservation goals in RWP
- Conservation expenditures and future commitments
- Mitigation unit balances
- Conservation enrollments in progress

Jim Pitman, Conservation Services Director, provided both oral and a written update on the ongoing conservation efforts associated with the RWP. See attached for written comments.

Industry Update. Sean
- Enrollment status summary: Companies, agreements, acres
- Summary of compliance monitoring and suspensions

Sean Kyle, Industry Services Director, provided both oral and a written update on the ongoing conservation efforts associated with the RWP. See attached for written comments.

Update on petition for re-listing USFWS
Bridget Fahey with the USFWS provided an update on the petition for re-listing.
Lesser Prairie Chicken Initiative Council

Public Session Agenda

- LPC translocation update. Roger
  Roger Wolfe, LPC Program manager gave a brief overview of the translocation project that KS and CO are undertaking to move birds from KS into CO. Trapping efforts will start in late Sept.
- Other topics.
- Adjourn