



Activity Report of The Sandhills Task Force January 1 through December 31, 2004

Submitted by Gene D. Mack, Secretary/Treasurer

This report is a summary of 22 projects completed or ongoing by the Sandhills Task Force (STF). The majority (18) are conservation projects directly affecting the natural resources of the Sandhills. Total acres enhanced by these projects are 39,735 acres (35,466 acres of upland grasses, 19 miles of streams and rivers, and 3,259 acres wetlands and wet meadows). An additional 13 projects are in the pre-agreement stage of planning. Two projects are associated with research and monitoring.



The Task Force successes began with a 1996 grant from the Nebraska Environmental Trust. Their contribution allowed the Task Force to provide leverage and financial assurance needed to ensure land use practices benefited both ranching and wildlife. Cooperative agreements with other agencies and organizations have brought funding for conservation. Appendixes A and B report the financial activity of the Sandhills Task Force in 2004.



Sandhills Task Force Board members hosted an evening meal with Steve Williams (center), Director of the U.S. Fish and Wildlife Service. From l to r: Jim Van Winkle, A.B. Cox, Gene Mack, Byron Eatinger, Steve Williams, Mike Kelly, Craig Utter, Ted LaGrange, and Al Steuter.

Board of Directors

Board of Directors (16 total) include:

A.B. Cox	Rancher	Mullen
Al Steuter	The Nature Conservancy, Rancher	Ainsworth
Barb Cooksley	Rancher	Anselmo
Byron Eatinger	Rancher	Thedford
Craig Utter	Rancher	Ainsworth
Dana Larsen	Natural Resources Conservation Service	North Platte
Dean Funk	Rancher, Holt County Commissioner	Atkinson
Gene Mack	U.S. Fish and Wildlife Service	Kearney
Gene Lehnert	North Central R, C & D	Bassett
Melody Benjamin	Nebraska Cattlemen, Rancher	Lakeside
Mick Knott	Rancher	Hyannis
Mike Kelly	Rancher	Sutherland
Richard Lackaff	Rancher	Bassett
Rob Ravenscroft	Member at Large	Lincoln
Ron Dobbins	Rancher, Chairman Upper Loup NRD	Tryon
Ted LaGrange	Nebraska Game & Parks Commission	Lincoln

Jim Van Winkle continues to work for the Sandhills Task Force, through a cooperative agreement with Nebraska Cattlemen. Jim has been instrumental in building working partnerships with government agencies, as well as, providing a greater level of trust between ranchers and the Task Force. An agreement with the NRCS was established in 2004 to help cover some costs associated with Jim's salary. The agreement will reimburse the Task Force up to \$30,000.00 for Jim's efforts that compliments the NRCS programs (WRP, EQIP, WHIP).

Financial Activities

An audit of the organization's 2003 financial activity was completed in May by Hellman, Main, Coslor and Pathol., P.C. of Kearney. The report stated *"In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sandhills Task Force as of December 31, 2003 and 2002 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America."*

In 2004, the Task Force spent \$171,713 for conservation work. Payment was made to ten different projects. Much of that funding came from grants or cooperative agreements with Nebraska Environmental Trust (NET), Nebraska Game and Parks Commission (NGPC), U.S. Fish and Wildlife Service (FWS), National Fish and Wildlife Foundation, and Ducks Unlimited. Our checking account is held with Tri County Bank in Stuart, Nebraska. Short-term certificates of deposits (\$750,000 total) exist at the Purdum State Bank in Purdum, Commercial Bank of Bassett, United Nebraska Bank in Broken Bow, and Pinnacle Bank in O'Neill. It is the Board's policy to bank within the Sandhills.

The FWS granted \$16,000 to the STF for conservation projects. This money is part of the Service's "Partners for Fish and Wildlife Program." The NGPC provided funding either directly to the landowner or through a \$25,000 (2003 allocation) cooperative agreement with the Task Force.

The USFWS created a new grants program entitled Private Stewardship Grants Program. Grant monies are designated for conservation activities on private lands. This year, the Sandhills Task Force was successful in receiving \$39,010.00 for six wetland-related projects. The grant agreement has yet to be finalized.

NGPC's "State Wildlife Grant" awarded \$17,978 to the Task Force. The money is available for restoration work on grasslands, wetlands, and streams throughout the Sandhills.

Projects

In 2004, the Sandhills Task Force was involved in the initiation or completion of 22 conservation projects—18 were directly related to on-the-ground work. These 18 represent only those, which have signed wildlife agreements between the Task Force and the landowner. Each of the agreements outlines a conservation strategy that meets the needs of the landowner while providing conservation and wildlife habitat. The lengths of the agreements are for 10 years. The amount cost-shared by the Task Force and its partners is based on the amount of benefit for wildlife and the natural resources. Projects that predominately benefit ranching, with limited benefit for wildlife received a lesser amount of cost share. Likewise, projects that greatly benefited wildlife with marginal benefit to the landowner were provided a larger amount of cost share. FWS and NGPC serve the role of assuring compliance with the agreements. Listed below are only those, which have signed agreements. Eight pending potential projects, which represent a significant amount of staff time, are not included.

In all instances, landowners initiated projects by contacting the Sandhills Task Force. No agreements were entered into unless the landowner/cooperator shared the same resource concerns and agreed that the management plan developed for their specific landscape was best for their operation and the land. For this reason, compliance with the cooperative agreement has been 100 percent.

The approval of STF funding for projects is done through an established procedure. A standing committee of four board members is responsible for approving each project. That committee includes the three board members affiliated with NRCS, NGPC, and FWS. The fourth member is the rancher board member who lives the closest to the specific project being considered. If any one of the four members has a concern about the project or the funding level, the project is presented at the next board meeting for approval or denial. This process ensures that each project is reviewed for its biological and social merits

without reducing the rancher role in decision-making. The process greatly reduces the amount of time the board spends on approving conservation projects.

Beginning Rancher Program

The Task Force began a project to help beginning ranchers. The project is in line with the Nebraska’s Beginning Farmer Tax Credit Act (1999). It is difficult to undertake because economic incentives that private individuals can offer a beginning rancher cannot be offered by a non-profit organization because of IRS interpretations and rulings.

In 2004 The Nature Conservancy identified the “Horse Creek Fen,” currently owned by TNC as a property the Task Force could use for its initial project. The property contains a large fen/wetland and needs additional fencing, tanks and wells to make it a more workable ranch. The size of the property is small and will take careful planning and the right resources to make the project workable. Presently the TNC staff is working on a lease agreement / purchase option that will be made available to a rancher who meets all the criteria established by the state’s Beginning Farmer/Rancher Program.

Beel Ranch/Plum Creek Project

Description: The purpose of the project is to restore the natural hydrology of the stream and to check future erosion of the streambed on Plum Creek in Brown County. The project included replacing three, under-designed and failed water control structures and adding two new ones designed to handle high flows without the removal of boards. The largest of the five structures is a 5-foot diameter by 100-foot corrugated metal pipe with a riser on the inlet. The smaller ones are 4-foot tubes with 3-foot weir plates. During high flows, the tubes will pass more water than the failed tubes did. Emergency overflows were designed with each structure to divert excessive floodwaters away from the structures and across grassed uplands. The overflow water is expected to return to the stream approximately 100 to 300 yards below the structures. Hydrology should be restored.



Funding:

DU	\$2,500.00	Weir Tube
Landowner	\$23,060.00	Installation
STF	\$30,179.98	Weir Tube, mobilization, freight
NGPC	\$10,000.00	Weir Tube, cement, freight
Total	<u>\$65,739.98</u>	

Accomplishments: The project was completed in the fall of 2004.

Brown County/Plum Creek Drainage

Description: The project replaced a corroded culvert under a Brown County road. The old culvert was short—creating steep shoulders adjacent to the natural waterway. A new, longer tube was installed to improve the road and to impound an additional three feet of water in the



waterway draining into Plum Creek. The project was done in conjunction with the Beel Project described above.

Funding:

STF	\$3,500	Weir tube
Brown County	\$2,500	Installation cost
Total	\$6,000	

Accomplishments: The project was completed in the fall of 2004.

Buchfinck Riparian Project

Description: The 7,091 acre project will change grazing practices for the benefit of ranching, native grassland and riparian habitat along the North Fork of the Dismal River. Season-long grazing will be replaced with a rotational grazing system that incorporates longer rest, increases plant vigor and diversity and provides residual cover for wildlife. By fencing the river from upland pastures, additional water sources are necessary. 540 acres of the project have been identified as riparian habitat.

Funding:

STF	\$9,087.25	Fencing, tanks, wells
NRCS	\$10,428.75	Fencing, tanks, wells
Landowner	\$8,172.00	Fencing, tanks, wells
NGPC	\$5,000.00	Fencing, tanks, wells
Total	\$32,688.00	

Accomplishments: Pipeline and tanks were completed. Fences are staked out but will be constructed in late fall 2004 and early 2005. Only \$4,316.64 has been cost shared from the STF to date.

Buffalo Head Ranch

Description: This is a joint riparian/grassland enhancement project involving the FWS, STF, NGPC, and the cooperators in which the cooperators agree to manage grazing on 5443 acres, as outlined below, for the benefit of ranching, native grassland and riparian habitat. The project area encompasses the headwaters of the Dismal River with Sandhills prairie adjacent to the river. The purpose of the project is to move from season long grazing to a rotational grazing system that incorporates rest in pastures, increases plant vigor and diversity and provides residual cover for wildlife. By fencing the river from upland pastures, additional water sources are necessary.

Funding:

STF	\$22,279.68	Fencing, tanks,
NRCS	\$9,943.13	Fencing, tanks, wells
Landowner	\$13,181.50	Fencing, tanks, wells
NGPC	\$7500.00	Fencing, tanks,
Total	\$52,904.31	

Accomplishments: Over 2 miles of fence was constructed in the summer of 2004. The remainder of the project will be completed this winter.

Cody Lake Grassland Project

Description: This agreement involves the management of 1892 acres of upland grassland, 108 acres of water, marsh, riparian and wet meadow, including 76 acres in three units of mostly wet meadow directly adjacent to Cody (Jeffords) Lake. (2,024 Total)

Presently the property is in a continuous-use grazing plan where cattle graze each pasture throughout the entire growing season. The addition of watering sources will permit the cooperators to combine herds and adopt a rotational grazing plan that will preserve and enhance the present range conditions. The plan involves grazing combined with adequate rest periods to maintain and promote a diverse range of grasses and forbs in each pasture. Moderate grazing coupled with long rests will maintain the upland nesting cover for a variety of grassland birds. The management on the acres adjacent to Cody Lake will encourage native warm season plant growth



Funding:

Landowner	\$4,951.12	Windmills, Tanks
STF	\$8000.00	Windmills, Tanks
NGPC	\$2,000.00	Windmills, Tanks
DU	\$2,000.00	Windmills
Total	<u>\$18,951.12</u>	

Accomplishments: One 30 foot tank was installed this past fall. The majority of the construction is planned for the spring of 2005.

Education and Outreach

In the month of June the Sandhills Task Force hosted a Fish and Wildlife Service class named “Conservation Partnership Roundtable.” The class focused on how the USFWS can be successful creating, building, and maintaining successful partnerships like the Sandhills Task Force. Twelve participants from locations including Florida, Maine, and California attended the June 7 -11th session. The classroom part of the class was held at Stubs Restaurant in Thedford. The field visits included 5 different fieldtrips to ranches and projects the Task Force has worked closely with in the past 10 years. One highlight of the event was an evening social hosted by Byron and Mary Eatinger at their ranch. The group was treated to a steak dinner and entertainment provided by a local poet, Yvonne Hollenbeck.



In 2003 Mike Kelly and Craig Utter participated in the “Walk a Mile in My Boots” program and traveled to Washington D.C to spend two days with Steve Williams, the Director of the USFWS. The program allows both rancher and the USFWS employee to exchange positions to gain some “insight” into another world. Mike and Craig, in turn, invited Mr. Williams to their ranches. Steve participated in moving cattle, fencing, and other duties while visiting the two ranches. On one night, the Task Force Board joined Mr. Williams for an evening meal and discussion about the Task Force’s role in the Sandhills and the value of partnerships.

Display booths were set up at the range tour at Gudmundsen Research facility, the Sandhill Discovery Conference in Ainsworth, and the Society for Range Management meeting in Ainsworth.

Several formal presentations related to the mission of the Sandhills Task Force were given to a variety of groups interested in the Sandhills.

- Society for Range Management / Grant Plains Fire Learning Network Teams
- Statewide County Weed Superintendents Meeting / Leafy Spurge Task Force
- “Conservation Roundtable Partnerships” USFWS Training in Sandhills
- Farm Credit Lenders
- Nebraska Panhandle Rancher Group
- Steve Williams, Director of USFWS

A total of \$2,100.00 was granted to fund or sponsor:

- Two University of Nebraska (UNL) Grazing Livestock Systems scholarships.
- Tuition for one cooperator to attend the Nebraska Ranch Practicum at Gudmundsen,
- Society of Range Management annual convention,
- Gudmundsen “Ranch Tour”

In addition, 200 bird identification booklets were purchased to distribute to outreach activities.

Erickson Ranch Project

Description: The 7,091 acre project will change grazing practices for the benefit of ranching, native grassland and riparian habitat along the North Fork of the Dismal River. Season-long grazing will be replaced with a rotational grazing system that incorporates longer rest, increases plant vigor and diversity and provides residual cover for wildlife. By fencing the river from upland pastures, additional water sources are necessary. 540 acres of the project have been identified as riparian habitat.

The landowner's primary objectives are to improve native vegetation, encourage warm season grasses, provide residual vegetation for spring nesting, and enhance wildlife production and use of the pastures. Once water sources and fencing are completed, herds will be combined to one herd and rotated through each of nine pastures once during the growing season, spending approximately 2-3 weeks per pasture. A grazing plan designed for 50% use by livestock will be implemented which will provide residual cover for wildlife and promote plant vigor. A haying/grazing rotation will be done where one of the two meadows will be grazed instead of hayed. The rotation will benefit plant species diversity and vegetative structure for wildlife. Three small crop fields will be converted to a cool season/legume mixture best suited for wildlife. Once established, the fields will be grazed early.

Funding:

STF	\$4,000.00	Tanks, Fence, Pipeline
NRCS	\$23,249.00	Seeding, Tanks, Fence, Pipeline, Well
Landowner	\$11,810.00	Seeding, Tanks, Fence, Pipeline, Well
NGPC	\$8,000.00	Seeding, Tanks, Fence, Pipeline
Total	<u>\$47,618.00</u>	

Accomplishments: A Wildlife Extension Agreement has been drafted and signed by all parties. The landowner is an absentee landowner who is now considering selling the property as an alternative. No funds have been spent at this time.

Falotico Ranch Project

Description: This agreement involves the management of approximately 2,192 acres of grassland and wetlands. In a partnership effort the FWS, NRCS, NGPC, STF, and the cooperator have designed a management plan that will benefit native grasslands and wildlife. Presently, 1492 of the 2192 acres comprises only one pasture and is in a continuous-use grazing plan. The addition of watering sources and cross fencing will permit the cooperator to create 3 new units and implement a rotational grazing plan that will enhance the present range conditions. The plan involves grazing each pasture once yearly, allowing long rest periods to maintain and promote a diverse range of grasses and forbs in each pasture

Funding:

NRCS	\$7,000.00	Pipeline
Landowner	\$14,739.12	Fencing, tanks and pipeline
STF	\$5,739.12	Fencing
NGPC	\$2,000.00	Fencing
Total	<u>\$29,478.24</u>	

Accomplishments: In 2004 a Wildlife Extension Agreement was signed by the landowner. The fencing, tanks, and pipelines will be constructed and installed in the spring of 2005.

Ferguson Ranch Project

Description: This agreement involves the management of 2,305 upland grassland acres. In a partnership effort the FWS, NRCS, STF, and the cooperator have designed a management plan that will benefit native grasslands and wildlife. Presently the property is in a continuous use grazing plan where cattle graze each pasture throughout the entire growing season. The addition of watering sources will permit the cooperator to combine herds and adopt a rotational grazing plan that will preserve and enhance the present range conditions.

Funding:

Landowner	\$9,905.80	Pipeline, tanks
NRCS	\$50,717.40	Fences, pipeline, tanks
STF	\$7,000.00	Fences, pipeline
Total	<u>\$36,369.60</u>	

Accomplishments: The WEA was drafted and signed by the landowner. A well was drilled on the property and the pipeline was designed this fall. The fencing, pipeline, and tanks will be installed and constructed in the spring of 2005.

Fire Learning Network

Description: The Great Plains Fire Learning Network requested the Sandhills Task Force help with the production cost of an information video. The video focuses on the application of prescribed fire as a tool to manage grasslands. The primary target audience is rural volunteer fire departments and landowners. One hundred and fifty videos will be sent out in early 2005 to conservation agencies, state/county extension groups, universities, NRCS, USFWS, and rural volunteer fire departments.

Additional copies of the video will be available in 2005. The Sandhills Task Force has contributed \$3,042.50 to date. Nebraska Game and Parks Commission provided \$2,130 through a cooperative agreement to be added to the STF's portion. Total amount dispersed by STF was \$5,172.50.

Fleecs Birdwood Creek Project

Description: The cooperator installed various fencing and livestock watering improvements to enhance the production of upland plant species, reduce the duration of use and increase the rest period between grazing applications. Adjacent meadows and associated wetlands within the Birdwood riparian area will be managed for the benefit of wildlife and native plants. In addition to longer rest periods on the entire ranch, an added benefit of the new fencing will result in the creation of a 59-acre wildlife area that will be grazed lightly for short periods of time. The grazing of this unit will be conducted so as to leave excellent fall and winter cover and forage for wildlife. Other stretches of the Birdwood riparian will have livestock excluded during much of the year. Management on these 1,920 acres will benefit approximately 460 acres of wet meadows and the adjacent uplands and help sustain up to 100 acres of permanent and seasonal shallow water wetlands. Four miles of riparian area will be positively affected.

Funding:

STF	\$5,901.00	16,000 ft of fencing, tanks, well, and pipeline
Landowner	\$6,480.00	16,000 ft of fencing, tanks, well, and pipeline
NGPC	\$500.00	16,000 ft of fencing
Total	<u>\$12,881.00</u>	

Accomplishments: This project has been completed with the exception of one fence. The landowner plans to complete the fence in the spring of 2005. The Task Force has contributed \$5,201 to date.



Fleece Ranch Project

Description: The project created a small, one-acre wetland using a water control structure combined with a low-level earthen dam. The adjacent five acres of upland will be fenced and managed for wildlife.

Funding:

STF	\$3,419.00	Water control structure, pipe, fencing, excavation
Landowner	\$2,450.00	Fencing, excavation
Total	<u>\$5,869.00</u>	

Accomplishments: The project was completed during the summer of 2004 and inspected by the USFWS. The landowner is in the process of billing the Task Force for the amount obligated in the agreement.

Friskopp Project

Description: This agreement involves the management of 330 acres of grasslands and 150 acres of wetlands and sub-irrigated meadows. The cooperator, and their partners, designed a management plan that will benefit native grasslands, wetlands, and the ranching operation. The addition of watering sources and cross fencing will enable the cooperator to adopt a grazing and haying management plan that will preserve and enhance the present range conditions. The plan involves grazing, combined with adequate rest periods, to maintain and promote a diverse range of grasses and forbs in each pasture.

Moderate grazing coupled with long rests will maintain the upland nesting cover for a variety of grassland birds. The meadow management will encourage native warm season plant growth by means of seeding (about 40 acres) and haying/grazing rotations. The wetland management plan includes restoring cattail-choked wetlands to seasonally hydrated wetlands that are available to migratory and nesting waterfowl.

Funding:

STF	\$5,000.00	Fencing, tanks, well, and pipeline
NRCS	\$11,281.70	Fencing, tanks, well, and pipeline
Landowner	\$3,565.70	Fencing, tanks, well, and pipeline
NGPC	\$1,500.00	Seeding
Total	<u>\$21,347.40</u>	

Accomplishments: The pipelines, tanks, and wells were completed throughout 2004. The property is grazed in the spring and fall to promote native grass and forb development in the meadows. The Task Force has contributed \$4,156.80 to date.

Grassland Bird Study

Description: The study was initiated in response to the Task Force’s concern about what affect short duration grazing systems vs. other grazing systems is having on wildlife. Grassland birds are recognized as a group of wildlife, which is very mobile and can quickly move to preferred habitats. The study will measure the diversity and abundance of birds associated with three different grazing systems: short duration (less than 15 days), mid-duration (30 to 45 days), and season-long grazing.

Funding:

STF	\$45,000.00	Graduate student salary, travel, and lodging
NGPC	\$18,000.00	Graduate student salary, travel, and lodging
Sampson Range and Pasture Management Endowment	\$10,000.00	Graduate student salary, travel, and lodging
UNL & other grants	\$31,681.00	Graduate student salary, travel, and lodging
Total	<u>\$104,681.00</u>	

Accomplishments: The summer of 2004 concluded the field season and research portion of the “Grassland Bird Study.” A preliminary report of the 2003 – 2004 season has been published and explains the results of the research.

- Bird species richness tended to be higher on long duration grazing systems while short duration systems had the lowest species richness.
- Bird densities tended to be greatest on short duration systems.

The data will be analyzed and published in 2005. To date, the STF has paid \$63,000 to the University of Nebraska Office of Research. That includes \$18,000 from NGPC—provided through a cooperative agreement.

Henderson Land and Livestock

Description: This agreement involves the management of 4,613 acres of grasslands, wetlands, and sub-irrigated meadows. Addition livestock watering sources and cross fencing will enable the cooperator to adopt a grazing and haying management plan that will preserve and enhance the present range conditions. It will shift grazing from long-term to short-term grazing with long rests to enhance grassland diversity and vigor, and establish upland nesting cover for grassland birds. Each pasture will be grazed one time through during the growing season. Grazing will be deferred on half of one wetland unit during the growing season. Dormant grazing will leave at least six inches of grassland vegetation. Haying and grazing rotation will encourage native warm season plant growth. The wetland management plan

includes restoring cattail-choked wetlands to seasonally hydrated wetlands that are available to migratory and nesting waterfowl.

Funding:

Landowner	\$27,630.00	Pipeline, tanks and windbreak
NGPC	\$5,000.00	Pipeline
STF	\$12,000.00	Pipeline and fence
NRCS (EQIP)	\$67,918.00	Pipeline, tanks and windbreak
Total	<u>\$112,548.00</u>	

Accomplishments: In 2004 a fence was constructed to divide a wetland area into separate units. Payment for this work has not been reimbursed to date. The additional work is expected to be completed in the spring of 2005.

McMurtrey Ranch Project

Description: This project complements an existing EQIP project the landowner has with NRCS. Our portion of ranch improvement is to restore the natural hydrology of Betsey Creek in western Cherry County. With this project, the cooperators agree to manage portions of their 26,900 acre ranch for the benefit of ranching and native grassland. The landowner’s primary objectives are: to improve the hydrology of Betsey Creek’s adjacent sub-irrigated meadows and uplands, which in turn, will increase wildlife habitat adjacent to this free-flowing stream. Completion of this project will halt downcutting of the streambed.

Historically, the channel was shallower, with floodwaters flowing across the valley. While the upper portions of the Betsey on this property still have meanders and no down cutting, the lower portion has begun to downcut as Betsey gets closer to the confluence with the Gordon. A low-water control structure will be installed to reduce erosion and allow flood waters to flow out around the structure before re-entering the channel. This project should enhance habitat and facilitate movement of several threatened species of native fish known to inhabit Betsey/Gordon Creek. Riparian fencing and additional livestock watering location will allow the corridor to be managed in a way that benefits native plant and animal species. Habitat affected includes 120 acres of wetlands, 207 acres of riparian, 2,861 acres of grassland, and 4 miles of stream.

Hopefully, the project will be expanded to recreate additional meanders and re-hydrate Gordon Creek meadows during high water events. NRCS is currently working with the landowner on various other components of a multi-year EQIP contract.

Funding:

Landowner	\$8,166.00	Fence, Weir Tubes, Well Drillings, Windmill
NGPC	\$12,874.00	Fence, Well Drillings
STF	\$11,460.00	Fence, Weir Tubes, Well Drillings, Windmill
Total	<u>\$31,500.00</u>	

Accomplishments: No invoices have been submitted to the Task Force at this time. Work is ongoing and expected to be completed by summer of 2005.

Mulligan Grassland Project

Description: A planned grazing system is being developed to shift from season-long to a shorter duration, rotational system on 3,911 acres containing 800 acres of wetlands. Initially, grazing will be limited to 50 percent or less total use based on NRCS recommendations. Grazing through the life of the agreement will slowly increase but will not exceed the 60 percent utilization level recommended by NRCS. A small wetland area will be fenced and managed specifically for wildlife. Soil will be removed

from scattered wetlands to provide open water in areas choked with cattail. Soil removal is not part of the identified funding, but is allowed by the landowner at the other partners' expense.

Funding:

Landowner	\$9,092.40	Fences, pipeline, tanks, and wells
NGPC	\$5,000.00	Fences, pipeline, tanks, and wells
STF	\$22,277.20	Fences, pipeline, tanks, and wells
Total	<u>\$36,369.60</u>	

Accomplishments: The Task Force reimbursed the Mulligan Ranch a partial payment of \$16,515.20 in 2004 for fencing, wells, pipelines, and tanks. Some fencing remains to be completed.

Pelster Ranch Project

Description: This agreement involves the management of the riparian area and sub-irrigated meadows surrounding Cedar Creek. The addition of a pipeline and a water tank will provide cattle a safe and dependable watering facility. Having an alternative source of water will minimize the animal impact to the riparian area and the creek itself.

Funding:

STF	\$2,964.00	Pipeline, Hydrant and Tank
Landowner	\$988.00	Pipeline, Hydrant and Tank
Total	<u>\$3,952.00</u>	

Accomplishments: This project was completed in the fall of 2004. Final inspection was made by the landowner. Full payment has not been made to date.

Prill Water Crossing Project

Description: The project is an extension of the first Prill project described above. This one is located further up the drainage ditch and came about after the owner realized the benefits of the first project. Like the first, this project is designed to restore hydrology to the meadows and wetlands. The low relief in the meadow will not allow a cost-effective water control structure. So, a Texas-style crossing will be constructed in the ditch. The crossing will back up about 2.5 feet of water and allow the floodwaters to flow over the top of the concrete structure. It is the first of its kind that the STF will install. Its application in other areas would include areas where natural emergency overflows are not possible. Completion of this project will raise the water table, allow flow during high water events, and will enhance the production of nearby lowland meadows and adjacent uplands. About .75 miles stream/ditch and 45 acres of wet meadow will be directly affected.

Funding:

STF	\$3,656.40	Fence and concrete
Landowner	\$3,700.00	Dirt work and construction
NGPC	\$464.40	Fence
Total	<u>\$7,820.80</u>	

Accomplishments: The dirt work, concrete, and construction was completed in the early spring of 2004. One month later spring rains and groundwater filled the drainage behind to structure. Payments for the concrete were made by the STF. The cooperator has not been reimbursed for the fencing.

Sandhills Task Force Website

Description: One of the goals of the Task Force is to increase people’s awareness of the Sandhills resources and of the Task Force itself. In 2001, a website was established. It contains information about the organization, its goals, principles, new briefs, and information about various projects the Task Force has funded. Each year, we spend about \$200 to \$400 for server fees. The address is <http://sandhillstaskforce.org>.



Spring Lake Ranch

Description: The project will install a fence around the perimeter of Billy Lake to allow for better grass management of the upland and lake shoreline. Presently fencing for four pastures extend into the lake. During the recent dry years, livestock have been able to get past the end of the fence and freely graze along the entire length of shoreline. The addition of a perimeter fence will permit the cooperator to combine herds and adopt a rotational grazing plan and manage the lake’s shoreline for wildlife habitat.

Funding:

Landowner	\$1,850.65	Fence
STF	\$5,552.00	Fence
Total	<u>\$7,402.65</u>	

Accomplishments: Construction was completed in late 2004. Payment will be made in January 2005.

Vinton LTD Project

Description: A planned grazing system will be developed on 4,487 acres for the benefit of improving native grassland. A grazing plan will be implemented to provide residual cover for wildlife and promote plant vigor. Management on these acres will benefit ten acres of seasonal wetlands and permanent wetlands and 4,477 acres of associated upland habitat.

Funding:

STF	\$3,371.06	Fencing and tank
Landowners	\$3,630.38	Fencing and tank
NGPC	\$3,371.06	Fencing and tank
Total	<u>\$10,372.50</u>	

Accomplishments: In 2003, two miles of fence and a tank were installed. The completion was delayed by drought conditions and completion is expected in the spring of 2005. A total of \$5,711.06 has been contributed—\$2,340 for NGPC’s portion and \$3,371.06 for STF’s portion.

Waterfowl Recruitment Study

In January of 2004, Scott Stephens, a Ducks Unlimited researcher presented a potential “Sandhills” research project to the Task Force. The purpose of the study is to closely observe the nesting success of 40 mallard hens in the Sandhills. The research would require extensive permission on private lands.

In October of 2004 Larking Powel (UNL researcher) petitioned the Task Force to help partially fund a “one year pilot project” of the study. The total estimated cost for the first year is \$60,000.00, the Task Force was asked to contribute \$20,000.00 to the study. The board approved the amount requested.

The other partners involved in this project are University of Nebraska, Ducks Unlimited, and NGPC.

Purchase of Equipment

Purchase date	Item	Purchase Price	On loan to:	City, State
25-Sep-98	Laptop Computer Model: Dell TS30H	\$3,657.54	Kevin Hood, Natural Resources Conservation Service	Theadford, NE
12-Oct-00	Total Station Model: Sokkia SET4110	\$12,008.43	Don Earl, Natural Resources Conservation Service	Theadford, NE
15-Dec-00	Printer Model:HP G55 Deskjet SN: SG#07EGGQT	\$529.99	Jim Van Winkle, Nebraska Cattlemen	Wood Lake, NE
18-Dec-00	Laptop Computer Model:Dell Inspiron Model 3800-220-4815 SN: 060322865	\$2,502.15	Transferred from Jim Van Winkle on 6/15/03 to Gene Mack U.S. Fish and Wildlife Serv.	Kearney, NE
7-May-01	Digital Camera (LOST) Model:Olympus D-460 Zoom SN: 106687323	\$422.94	Jim Van Winkle, Nebraska Cattlemen (Lost on a field tour)	Wood Lake, NE
5-Nov-01	Garmin Map 76 w/WAAS, PC Cable /cigarette lighter adaptor, MapSource CD, and GA27C Antenna	\$917.66	Jan Joseph, Natural Resources Conservation Service	Valentine, NE
6/5/2003	Dell Inspiron 5100 w/ Office Professional SN: CN-09U806-12961-356-4395	\$1,800.00	Jim Van Winkle Nebraska Cattlemen	Wood Lake, NE
8/11/2003	Digital Camera Olympus D 560 SN: 269C50999	\$363.20	Jim Van Winkle, Nebraska Cattlemen	Wood Lake, NE
8/11/2003	Cordless Mouse for laptop computer	\$25.55	Jim Van Winkle Nebraska Cattlemen	Wood Lake, NE

APPENDIX A

Sandhills Task Force Checking Account Activity

Tri County Bank, Stuart, Nebraska

January 1, 2004 through December 31, 2004

Transactions (Page 1 of 3)	Date	Expense	Deposit
Craig Utter (Travel expense for DC trip)	1/06/2004	\$600.92	
Finney Cattle Co.	1/06/2004	\$15,000.00	
University of Nebraska Foundation (Scholarships)	1/27/2004	\$1,000.00	
Tri – County Bank (Interest)	1/28/2004		\$258.36
Tri – County Bank (Interest)	1/28/2004		\$529.32
Tri – County Bank (Interest)	1/28/2004		\$529.32
Tri – County Bank(Interest)	1/28/2004		\$529.32
United Nebraska Bank (Interest)	1/28/2004		\$748.72
Postmaster – Kearney (Postal Stamps)	1/29/2004	\$40.19	
Nebraska Cattlemen (Staff and overhead)	1/29/2004	\$4,643.73	
Gene D. Mack (Cordless mouse for Jim’s laptop)	1/30/2004	\$25.55	
Tri County Bank (Interest)	1/30/2004		\$40.36
UNL – Office of Research (Grassland Bird Study)	2/02/2004	\$5,939.85	
U.S. Fish and Wildlife Service	2/05/2004		\$29,842.15
Nebraska Cattlemen (Staff and overhead)	2/18/2004	\$4,792.25	
Purdum State Bank (Interest)	2/19/2004		\$385.64
Commercial Bank – Basset (Interest)	2/19/2004		\$567.12
Pinnacle Bank – O’Neill (Interest)	2/25/2004		\$204.67
Pinnacle Bank – O’Neill (Interest)	2/25/2004		\$307.00
United Nebraska Bank (Interest)	2/27/2004		\$252.31
The Tri County Bank (Interest)	2/27/2004		\$41.18
Department of Natural Resources (Filing fee)	3/04/2004	\$10.00	
Friskopp Ranch	3/05/2004	\$362.25	
Pinnacle Bank – O’Neill (Interest)	3/24/2004		\$96.81
Pinnacle Bank – O’Neill (Interest)	3/24/2004		\$64.54
Nebraska Game and Parks Commission	3/24/2004		\$30,000.00
The Tri – County Bank (Interest)	3/31/2004		\$50.86
Nebraska Cattlemen (Staff and overhead)	4/01/2004	\$4,775.88	
Friskopp Ranch	4/01/2004	\$2,414.71	
University of Nebraska WCREC (Range Tour sponsor)	4/20/2004	\$125.00	
Nebraska Cattlemen (Staff and overhead)	4/26/2004	\$5,029.38	
The Tri – County Bank (Interest)	4/28/2004		\$255.55
The Tri – County Bank (Interest)	4/28/2004		\$523.56
The Tri – County Bank (Interest)	4/28/2004		\$523.56
The Tri – County Bank (Interest)	4/28/2004		\$523.56
The Tri – County Bank (Interest)	4/30/2004		\$53.55
Gideon Ready Mix (Concrete for Prill Project)	5/12/2004	\$2,094.18	
GD Media Group (Website setup)	5/17/2004	\$105.00	
Wickett Construction Lumber and Sales (Prill Project)	5/17/2004	\$653.21	
Purdum State Bank (Interest)	5/17/2004		\$377.26
Commercial Bank – Basset (Interest)	5/18/2004		\$554.79
Pinnacle Bank – O’Neill (Interest)	5/25/2004		\$109.64
Pinnacle Bank – O’Neill (Interest)	5/25/2004		\$164.45

Transactions (Page 2 of 3)	Date	Expense	Deposit
United Nebraska Bank (Interest)	5/27/2004		\$429.04
The Tri County Bank (Interest)	5/27/2004		\$47.72
Nebraska Cattlemen (Staff and overhead)	6/01/2004	5350.86	
Yvonne Hollenbeck (FWS Partnership entertainment)	6/09/2004	\$200.00	
Ralph Eatinger (Steak Cookout for FWS Partnership)	6/09/2004	\$640.00	
Royal Colonial Inn (Conference room rental)	6/11/2004	\$50.00	
Fire Fly (Snacks for Partnership meeting)	6/11/2004	\$101.43	
Stub's Restaurant (FWS Directors meal with STF)	6/16/2004	\$158.94	
Gene Mack (Partnership supplies)	6/18/2004	\$216.20	
UNL – Office of Research (Grassland Study)	6/21/2004	\$7,775.80	
Buffalo Head Ranch	6/21/2004	\$8,560.62	
Nebraska Cattlemen (Staff and overhead)	6/23/2004	\$4,955.62	
The Tri County Bank (Interest)	6/30/2004		\$53.92
Hellman, Main, Coslar, Kathol, P.C. (Audit)	7/02/2004	\$850.00	
Mulligan Ranch (Scholarship to Ranch Practicum)	7/02/2004	\$600.00	
Mulligan Ranch	7/09/2004	\$16,515.00	
U.S. Fish and Wildlife Service (Reimbursement)	7/15/2004		\$2,000.00
The Tri County Bank (Interest)	7/16/2004	\$15.00	
Postmaster – Kearney (Postage)	7/25/2004	\$20.00	
The Tri County Bank (Interest)	7/28/2004		\$255.55
The Tri County Bank (Interest)	7/28/2004		\$523.56
The Tri County Bank (Interest)	7/20/2004		\$523.56
The Tri County Bank (Interest)	7/28/2004		\$523.56
The Tri County Bank (Interest)	7/30/2004		\$37.47
TechThreat Media (1 year server space)	8/04/2004	\$150.00	
Nebraska Cattlemen (Staff and overhead)	8/04/2004	\$4,932.01	
Commercial Bank – Basset (Interest)	8/18/2004		\$567.12
Purdum State Bank (Interest)	8/18/2004		\$385.64
Nebraska Environmental Trust (Reimbursement)	8/19/2004		\$26,813.19
Nebraska Cattlemen (Staff and overhead)	8/25/2004	\$4,968.93	
Pinnacle Bank O'Neill (Interest)	8/25/2004		\$165.35
Pinnacle Bank O'Neill (Interest)	8/27/2004		\$248.02
United Nebraska Bank (Interest)	8/30/2004		\$438.58
B & B Video Productions (Fire Learning Video)	8/30/2004	\$1,521.25	
Ace Irrigation (Erosion material)	8/30/2004	\$2,863.28	
The Tri County Bank (Interest)	8/31/2004		\$39.01
Rocky Mountain Bird Observatory (Bird ID booklets)	9/10/2004	\$150.00	
UNL – Office of Research (Grassland Study)	9/15/2004	\$5,361.00	
Mary Vallentine (Grassland project)	9/15/2004	\$900.00	
B & B Video Productions (Fire Learning Video)	9/28/2004	\$1,065.00	
The Tri County Bank (Interest)	9/30/2004		\$38.79
Nebraska Cattlemen (Staff and overhead)	10/07/2004	\$4,973.61	
Natural Resources Conservation (Reimbursement TSP)	10/12/2004		\$6,972.42
UNL – Office of Research (Duck production study)	10/13/2004		
Nebraska Sec. Soc. Range (SRM range camp)	10/14/2004	\$500.00	
Middle Niobrara NRD (Weather Station Maintenance)	10/14/2004	\$200.00	
The Tri County Bank (Interest)	10/28/2004		\$258.36
The Tri County Bank (Interest)	10/28/2004		\$529.32
The Tri County Bank (Interest)	10/28/2004		\$529.32

Transactions (Page 3 of 3)	Date	Expense	Deposit
The Tri County Bank (Interest)	10/28/2004		\$529.32
Nebraska Game & Parks Commission (Fire Learning)	10/28/2004		\$2,130.00
The Tri County Bank (Interest)	10/29/2004		\$35.83
Nebraska Cattlemen (Staff and overhead)	11/13/2004	\$4,969.50	
Purdum State Bank (Interest)	11/15/2004		\$385.64
Commercial Bank – Basset (Interest)	11/19/2004		\$560.96
Ted Ormesher (Repair Jim’s computer virus)	11/19/2004	\$250.00	
Stadium Sports (60 Logo Caps)	11/19/2004	\$592.80	
Pinnacle Bank – O’Neill (Interest)	11/24/2004		\$165.36
Pinnacle Bank – O’Neill (Interest)	11/24/2004		\$248.04
Tier One Bank (Interest)	11/24/2004		\$438.58
Nebraska Cattlemen (Staff and overhead)	11/29/2004	\$4,990.13	
UNL – Office of Research (Bird Study)	11/29/2004	\$2,279.22	
The Tri County Bank (Interest)	11/30/2004		\$40.41
B&B Video Productions (Fire Learning Video)	12/01/2004	\$1,065.00	
B&B Video Productions (Fire Learning Video)	12/01/2004	\$1,521.25	
Stadium Sports (Dozen logo caps)	12/06/2004	\$113.57	
Friskopp Ranch (Wells, tanks, pipeline)	12/06/2004	\$1,,379.84	
Inlaw Construction, Inc (Beel Project Materials)	12/08/2004	\$33,002.80	
Inlaw Construction, Inc (Brown County Tube Ext.)	12/08/2004	\$342.00	
Total financial transactions occurring in 2004		\$171,713.20	\$113,447.24

Appendix B

SANDHILLS TASK FORCE STATEMENT OF FINANCIAL POSITION December 31, 2003 and 2002

Compiled by Hellman, Main, Coslor & Kathol, P.C., Kearney, Nebraska

	<u>2003</u>	<u>2002</u>
ASSETS		
Current assets:		
Cash in bank	\$ 102,878	\$ 128,965
Certificates of deposit	750,000	750,000
Grant funds receivable	<u>29,842</u>	<u>4,563</u>
Total current assets	<u>882,720</u>	<u>883,528</u>
Property and equipment:		
Land easements	175,000	175,000
Equipment	5,932	3,861
Less accumulated depreciation	<u>(2,418)</u>	<u>(1,468)</u>
Net property and equipment	<u>178,514</u>	<u>177,393</u>
	\$ <u>1,061,234</u>	\$ <u>1,060,921</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 963	\$ 1,503
Accrued wages	3,666	3,491
Accrued payroll taxes	<u>281</u>	<u>267</u>
Total current liabilities	<u>4,910</u>	<u>5,261</u>
Net assets:		
Unrestricted net assets	193,120	1,043,786
Temporarily restricted net assets	<u>63,204</u>	<u>11,874</u>
Total net assets	<u>1,056,324</u>	<u>1,055,660</u>
	\$ <u>1,061,234</u>	\$ <u>1,060,921</u>

SANDHILLS TASK FORCE
STATEMENT OF FINANCIAL POSITION
December 31, 2003 and 2002
Compiled by Hellman, Main, Coslor & Kathol, P.C., Kearney, Nebraska

	<u>2003</u>	<u>2002</u>
UNRESTRICTED NET ASSETS		
Unrestricted revenues and gains		
Unrestricted grant funds	\$ 3,628	\$ 663,060
Investment return	<u>22,667</u>	<u>13,549</u>
Total unrestricted revenues and gains	<u>26,295</u>	<u>676,609</u>
Net assets released from restrictions,		
Restrictions satisfied by payments	<u>108,558</u>	<u>144,869</u>
Total unrestricted revenues, gains, and other support	<u>134,853</u>	<u>821,478</u>
Expenses:		
Program services:		
Project expenses paid	122,174	91,647
Salaries	44,165	41,895
Payroll taxes	3,472	3,294
Employee benefits	5,870	4,143
Reimbursed expenses	5,228	7,135
Supporting services:		
Depreciation	950	743
Advertising	605	3,134
Administrative expenses	<u>3,055</u>	<u>1,404</u>
Total expenses	<u>185,519</u>	<u>154,395</u>
Increase (decrease) in unrestricted net assets	<u>(50,666)</u>	<u>667,083</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions:		
U.S. Fish and Wildlife Service	47,601	15,694
NE Environmental Trust	53,287	91,951
NE Game & Parks Commission	59,000	9,000
Ducks Unlimited, Inc.	--	10,000
Net assets released from restrictions,		
Restrictions satisfied by payments	<u>(108,558)</u>	<u>(144,869)</u>
Increase (decrease) in temporarily restricted		
Net assets	<u>51,330</u>	<u>(18,224)</u>
Increase (decrease) in net assets	664	648,859
Net assets:		
Beginning	<u>1,055,660</u>	<u>406,801</u>
Ending	<u>\$ 1,056,324</u>	<u>\$ 1,055,660</u>

SANDHILLS TASK FORCE
STATEMENT OF FINANCIAL POSITION
December 31, 2003 and 2002
Compiled by Hellman, Main, Coslor & Kathol, P.C., Kearney, Nebraska

	<u>2003</u>	<u>2002</u>
Cash flows from operating activities:		
Federal and state funding	\$ 134,609	\$ 187,177
Other source funding	3,628	488,060
Interest income	22,667	13,549
Cash paid for operating expenses	<u>(184,920)</u>	<u>(157,464)</u>
Net cash provided by (used in) operations	<u>(24,016)</u>	<u>531,322</u>
Cash flows from investing activities:		
Purchase of CDs	--	(450,000)
Purchase of equipment	<u>(2,071)</u>	<u>--</u>
Net cash used by investing activities	<u>(2,071)</u>	<u>(450,000)</u>
Net increase (decrease) in cash balance	(26,087)	81,322
Cash and cash equivalents – Beginning of year	<u>128,965</u>	<u>47,643</u>
Cash and cash equivalents – End of year	<u><u>102,878</u></u>	<u><u>128,965</u></u>

**RECONCILIATION OF INCREASE IN NET ASSETS TO
CASH PROVIDED BY (USED IN) OPERATIONS**

Increase in net assets	\$ 663	\$ 648,860
Adjustments to reconcile increase in net assets to net cash provided by operations:		
Depreciation	950	743
Non cash contributions	--	(175,000)
Decrease (increase) in current assets:		
Grant fund receivable	(25,278)	60,532
Increase (decrease) in current liabilities:		
Accounts payable	(540)	(3,798)
Accrued wages	175	--
Accrued payroll taxes	<u>14</u>	<u>(14)</u>
Net cash provided by (used in) operations	<u><u>\$ (24,016)</u></u>	<u><u>\$ 531,323</u></u>