

WAFWA's CCAA Business Plan Webinar September 21, 2021

Questions & Answers

Topic: 1: Conservation Benefits of the CCAA

Question 1: What is considered a Lesser Prairie-Chicken (LPC) Stronghold, and why is that important?

The USFWS defines strongholds as areas that are managed or set aside for long-term LPC conservation and of sufficient size to support a viable population of LPC. They recommended that for viable populations, strongholds should contain at least 6-10 leks, with at least 6 males/lek. They suggested a minimum size of 25,000 acres, but that would only apply if all of the area were high quality habitat, with the need for up to 50,000 acres or more if lower habitat quality were interspersed in the area. Establishment of these strongholds will contribute toward maintaining LPC population by limiting the threat of habitat fragmentation.

Question 2: What is defined as a "restored" or "enhanced" acre?

Restored: Increasing habitat quantity; taking area that was not potentially usable habitat and turning it into potentially usable habitat. Examples: Cropland conversion to grassland. Brush management (removal of eastern redcedar and honey mesquite).

Enhanced: Increasing habitat quality; taking potentially usable habitat and increasing LPC carrying capacity to generate more productivity on those areas. Example: Prescribed grazing, increasing residual cover.

Question 3: Have restored/enhanced areas been monitored to see if they are occupied by LPC?

All properties that are used to generate mitigation units are monitored every year for habitat quality and LPC occupancy.

Question 4: Will conservation efforts under the CCAA change with the proposed endangered listing for the southern population?

The CCAA is not affected by listing decisions because of the non-surprise assurances that were provided by the USFWS.

Question 5: Why was the decision made to sell the ranch?

After the ranch was purchased, WAFWA granted a conservation easement to The Nature Conservancy to guaranty that its conservation values would be protected in perpetuity. Selling the remaining interest in the ranch allows the proceeds to be used for additional habitat conservation.

Topic: 2: Administration of the CCAA

Question 6: How is WAFWA compensated for managing the CCAA?

SRF is reimbursing WAFWA for staff and operational expenses using the investment income earned from the administrative endowment of \$10 million. Based on the current budget and assumptions, this should be more than sufficient to manage the CCAA in perpetuity.

Question 7: Has the Solicitor of the Department of Interior reviewed the compliance of the updated CCAA business plan?

WAFWA cannot speak to the actions taken by the USFWS. A comprehensive compliance report was shared with the USFWS, who reviewed it.

Question 8: How has WAFWA addressed the audit recommendation to improve accounting transparency?

This is an on-going process. Since the start of the program, WAFWA has been following GAAP accounting practices and has passed its financial audit each year without any issues or findings. The business plan identifies the need to adapt accounting procedures to provide greater transparency to the Board. A review of current accounting procedures is in process and updates will be proposed in 2022.

Question 9: How will the proceeds from the sale of the office building and Sunview Ranch be used?

The proceeds from the sale of the building and of the ranch will be transferred to the conservation endowment to support future conservation efforts.

Question 10: Will WAFWA conduct annual audits?

WAFWA has been conducting annual financial audits since the beginning of the program.

In 2019, Conservation Investment Management conducted a comprehensive program audit, and in 2020, ICF conducted a follow-up program audit. Both documents are publicly available on WAFWA's website. WAFWA has designed an ecological performance audit plan that will streamline the annual audit process moving forward.

Question 11: How does WAFWA receive investment guidance?

WAFWA relies on the advice of an investment committee composed of qualified individuals from the States and participating companies. All endowment funds are managed by financial advisors at the Royal Bank of Canada.

Topic: 3: Future Enrollment

Question 12: You mentioned that only existing CCAA participants could currently enroll land in the CCAA. Who is considered an existing participant?

Any company that holds an active Certificate of Inclusion is a participant in the CCAA.

Question 13: Will enrollment in the CCAA be open to new companies prior to the listing decision?

At this time, WAFWA has decided to limit the benefits of the CCAA to existing participants. This decision may be revised at a later date.

Topic: 4: Miscellaneous

Question 14: Where can I get a GIS file of the current LPC range that was shown in the presentation?

The map used in the presentation can be found at <http://www.sgpchat.org>

Question 15: Is there a summary document identifying the differences between the old and new Business Plan?

The new business plan is dramatically different from the original business plan and it is not possible to provide a redline version. Both documents are available on WAFWA's website.