

Lessard-Sams Outdoor Heritage Council

MEMO: Agenda Item #9a

DATE: December 14, 2016

SUBJECT: Draft Language for 2017 Legislative Appropriation Recommendation Bill
LSSA – Knife River Habitat Rehabilitation, Phase III

PRESENTER: Mark Johnson, Executive Director, LSOHC

Suggested Procedure:

Consider a motion to remove the LSSA Knife River Habitat Rehabilitation, Phase III in the 2017 Appropriation Recommendation bill language.

Members may discuss and question the project manager as needed. Project managers have been requested to attend this meeting.

Background:

In preparation for a possible Phase III of this program, DNR and LSSA have been working together over the past several months to mitigate possible reoccurrences of potential conflicts of interest that DNR identified during LSSA's Phase I and II appropriations (see attached DNR memo). LSOHC staff have been made aware of potential conflicts and have also had several meetings with DNR and LSSA on this issue.

At the November 16th meeting, the Council voted "that the DNR must report to the council on agreed upon terms of the fund management for the program prior to adoption of a final accomplishment plan in June 2017, should the 2017 legislature allocate funds to the program."

Attached to this memo is a DNR Office Memorandum providing an overview of the conflicts, steps directed, and steps taken.

It is the recommendation of LSOHC's Executive Director that the council at this time remove of LSSA's proposal from the Appropriation Recommendation package and invite LSSA to return in the FY2019 Call for Funding Requests with a revised proposal after all potential conflicts of interest have been mitigated and all fiscal oversight measures have been implemented.

Office Memorandum



DEPARTMENT: Natural Resources – OMBS Grants Unit

DATE: December 5, 2016

TO: Mark Johnson, Executive Director, Lessard-Sams Outdoor Heritage Council

FROM: Katherine Sherman-Hoehn, OMBS Grants Manager

SUBJECT: Lake Superior Steelhead Association Knife River Habitat Rehabilitation Phase I and II

Here is an overview of the Lake Superior Steelhead Association (LSSA) conflict of interest, current grant payment status, and a timeline of the actions the DNR and LSSA took to mitigate the conflict of interest in Phase I and Phase II of the project.

LSSA has two Outdoor Heritage Fund (OHF) grants:

- MN Laws 2012, Chapter 264, Article 1, Section 2, Subdivision 5g. This grant was for \$380,000. The final report and payment have been submitted.
- ML 2014, Regular Session, Chapter 256, Article 1 Section 2, Subd 5h, for Phase II. This grant is for \$1,410,000. This project is currently active.

Both grants rely on subcontractors for the bulk of the restoration work. LSSA has granted one major subcontract in each phase along with smaller subcontracts for specialized work. Environmental Troubleshooters, Inc (ET) is the major subcontractor for both phases. The DNR has found an ongoing conflict of interest involving members of LSSA's board and the project managers of the grant who have ties to ET:

- Craig Wilson—President of LSSA and owner of ET. He was the original grant manager for Phase I.
- Kevin Bovee—Secretary of LSSA. ET contracted with him to work on the Phase I project. He was the original fiscal manager for Phase I and is the current project manager for Phase I and II.

Over the course of the two grants, the DNR has directed LSSA to take steps to mitigate the conflict of interest several times. LSSA has been cooperative and completed the required actions.

- In September 2012 the DNR grants unit asked all Board members associated with ET to recuse themselves from activities related to selecting the subcontractor or reporting on subcontract progress to the Board. Craig Wilson also voluntarily removed himself as program manager before the bid request went out for the first subcontract. In December 2012, at DNR request, Kevin Bovee stepped down as fiscal manager, as he contracted with ET. Scott Kuiti, a Board member, became the grant manager.
- In July 2015, Scott Kuiti stepped down both as grant manager and from the Board. Kevin Bovee became grant manager; the DNR directed him to stop contracting with ET for work on the grant.



Office Memorandum

- In November 2015- March 2016, the DNR investigated the Phase II subcontract selection process and requested letters from potential bidders confirming that they decided to pass on the opportunity. The DNR required revisions to the subcontract to be more explicit in its terms and budget.
- LSSA provides proof of payment with each invoice and the DNR examines subcontract documentation for all LSSA's contracts under the grants.
- The DNR has provided standard monitoring through site visits and given technical assistance on the contracting and reimbursement process.
- In August 2016, the DNR met with LSSA and required LSSA find a fiscal agent for Phase III in order to eliminate the conflict of interest in advance of any further subcontractor selection process.

Knife River Habitat Rehabilitation Budget and Expenditures

	Phase I		Phase II		Total	
	Budget	Paid	Budget	Paid to date	Budget	Paid to date
Total Grant	\$380,000	\$379,035	\$1,410,000	\$800,305	\$1,790,000	\$1,179,340
Contract with Environmental Troubleshooters	\$305,100	\$257,144	\$960,000	\$589,024	\$1,265,100	\$846,168



Lessard-Sams Outdoor Heritage Council Laws of Minnesota 2017 Accomplishment Plan



Date: December 12, 2016

Program or Project Title: Knife River Habitat Rehabilitation - Phase III

Funds Recommended: \$ 1,758,000

Manager's Name: Kevin J. Bovee
Title: Secretary/Grant Manager
Organization: Lake Superior Steelhead Association
Address: P. O. Box 16034
City: Duluth, MN 55816
Office Number: 218-525-5960
Email: outriderduluth@msn.com
Website: www.steelheaders.org

Legislative Citation: ML 2017, Ch. X, Art. X, Sec. X

Appropriation Language:

County Locations: Lake, and St. Louis.

Regions in which work will take place:

- Northern Forest

Activity types:

- Enhance

Priority resources addressed by activity:

- Forest
- Habitat
- Wetlands

Abstract:

Poor historic forestry practices in the Knife River watershed have degraded trout habitat and resulted in a TMDL exceedance for turbidity. The LSSA proposes to locate, assess and rehabilitate identified stream impacted reaches within the watershed. The LSSA will use the new MPCA and Natural Channel Design evaluation criteria to rank and prioritize locations for rehabilitation. Our major focus will be stabilizing streambanks, installation of instream habitat and replanting riparian forest. Only stream sections located on public lands and private lands with DNR easements will be considered for this project. See the LSSA supplementary video for more detailed information.

Design and scope of work:

The Knife River watershed once held one of the largest populations of natural reproducing steelhead in the Great Lakes (Attachment 1). Since the late 1970's, the Knife River steelhead population has seen a dramatic decrease. One of the reasons for this decline is habitat loss.

The habitat loss is a long term result from historic logging. The pre-settlement forest composition within the Knife River watershed consisted primarily of old growth coniferous trees. Extensive clear-cut logging removed the old growth trees throughout the watershed, which were replaced by large stands of second growth aspen. This large-scale forest alteration removed the large trees that stabilized the stream banks and attracted unprecedented beaver populations to the watershed due to the new aspen food source. This

combination has led to a rapidly deteriorating riparian zone that now includes slumping stream banks, dead trees and remnant beaver meadows. The slumping clay banks have also resulted in a TMDL exceedance for turbidity on the Knife River (Attachment 2). Recognizing the threat to the upper river, the DNR started performing limited stream studies. These studies have determined that habitat degradation in the watershed has resulted in poor rearing conditions for juvenile trout.

The goal of this grant is to rehabilitate stream banks, wetlands, fish habitat and riparian zone trees that have been impacted over the past 100 years. The LSSA proposes to use a combination of aerial data (LIDAR) and river surveys to locate and assess impacted stream areas within the Knife River watershed. A field reconnaissance and detailed stream survey using MPCA and Natural Channel Assessment methodology will determine the stream's condition. Impaired areas will be ranked and the most impacted reaches will be rehabilitated. Rehabilitation projects will be conducted by using design/build construction following Natural Channel Design criteria to achieve a stable stream reach. Our scope of work may include:

- Survey the stream using MPCA and Natural Channel Design methodology.
- Conduct baseline and periodic stream and biological data collection and monitoring on impact areas.
- Track adult fish movement within the watershed.
- Monitor water temperature and quality.
- Conduct fish shocking.
- Identify erosion areas.
- Measure streamflow.
- Complete permit applications
- Meet with regulators to receive project approvals.
- Conduct stakeholder meetings.
- Remove log jams and beaver blockages to restore connectivity.
- Restore stream flow.
- Create and restore wetlands and off-channel ponds.
- Perform design/build projects to stabilize streambanks, restore channels and installed woody debris using natural channel methodology.
- Remove impounded silt and sediments from the streambed.
- Planting of trees to restore the overhead canopy.
- Increase spawning and rearing habitat.

The LSSA has been awarded two previous Knife River LSOHC grants and this project will be a continuation of the first two phases. During the previous two grant phases the LSSA has demonstrated its ability to manage the grants and their financial responsibilities. project work is consistent with the Minnesota Constitution, statutes and state laws and has been conducted in a transparent fashion using state of the art science.

As requested, we have a Fiscal Agent Agreement.

How does the request address MN habitats that have: historical value to fish and wildlife, wildlife species of greatest conservation need, MN County Biological Survey data, and/or rare, threatened and endangered species inventories:

The Knife River is a unique watershed on Minnesota's North Shore of Lake Superior. While the North Shore has over 60 tributaries that discharge to Lake Superior, only the Knife River does not have a barrier waterfalls that limits upstream migration of steelhead or coaster brook trout. This lack of a barrier falls means the Knife River has over 70 miles open anadromous Steelhead and coaster brook trout habitat.

The Knife River also has another unique feature, according to a DNR study by Charles Kruger, the Knife River has a genetically distinct strain of steelhead. Not only are these steelhead genetically distinct from other North Shore watersheds, but the Knife River steelhead are genetically distinct within its watershed. So this means that Main Knife River steelhead are genetically different than steelhead that are produced in its tributaries of Stanley Creek, McCarthy Creek, Main West Branch, Little West Branch, Captain Jacobson and Little Knife River.

This proposal addresses the uniqueness of the Knife River fishery by enhancing the trout habitat so the steelhead and coaster brook trout are allowed to spawn, rear and migrate back to Lake Superior to grow and mature. This fact is even more critical because the Knife River is no longer stocked with trout. Stocking was discontinued in the Knife River to protect the unique genetics of over 100 years of natural steelhead production. Essentially the Knife River is a natural wild fish hatchery that continues to genetically evolve.

Describe the science based planning and evaluation model used:

The LSSA has assessed the Knife River water temperature to determine which stream sections support trout production. Our temperature monitoring uses data loggers to record water temperature every hour over a four month summer time period. This assessment data has allowed the LSSA to conclude where the Knife River has suitable water temperature conditions to support trout

survival. By overlaying this data on our watershed map, we have created what we call "trout zones".

After we mapped these "trout zones" in the Knife River, we realized that the upper watershed had the coolest water temperatures suitable for the growth of trout, the middle watershed had warmer water temperatures that were stressful for trout and the lower watershed had the hottest water that is lethal for trout. This data is being used in two ways. One, it tells us to avoid performing construction projects in the lower watershed because the summertime water temperatures are lethal for trout. So even if we created the best in-stream habitat features in the lower watershed, the water temperature would not allow for trout survival. Two, it gives us ideas where we should construct projects to get the best return on investment.

Another assessment tool that we use is a full biological survey. This survey evaluates the fish population through shocking, invertebrate community through kick nets and using the new MPCA habitat numerical assessment protocol. Using the full biological assessment tool allows us to track if our project has had an impact in the stream reach that we are currently working on and if there is a positive impact downstream. It is anticipated after completing several projects, our cool water corridor would extend downstream because the river channel will be narrower and deeper, consist of a canopied riparian zone and have water cooling undercut banks. So over time, once the cool water corridor is extended downstream, the "trout zone" should increase on the Knife River. If our hypothesis is correct, our temperature and biological monitoring will open new areas to perform stream habitat improvement downstream.

Which sections of the Minnesota Statewide Conservation and Preservation Plan are applicable to this program:

- H2 Protect critical shoreland of streams and lakes
- H6 Protect and restore critical in-water habitat of lakes and streams

Which other plans are addressed in this program:

- Long Range Plan for Fisheries Management
- National Fish Habitat Action Plan

Which LSOHC section priorities are addressed in this program:

Northern Forest:

- Protect shoreland and restore or enhance critical habitat on wild rice lakes, shallow lakes, cold water lakes, streams and rivers, and spawning areas

Relationship to other funds:

- Clean Water Fund
- 2012 Flood Relief

Describe the relationship of the funds:

The Legacy Clean Water Fund and 2012 Flood Relief money has been used by the local Soil and Water Conservation Districts for the Knife River watershed's private stream sections. This money was used to stabilize slumping clay banks as part of the TMDL implementation plan. This money was awarded to the South St. Louis Soil and Water Conservation District and Lake County Soil and Water Conservation District.

The LSSA and SWCD are working cooperatively on separate sections of river to insure the entire watershed is addressed and improved. The LSSA is primarily working on the upper river habitat on public lands and private lands with easements, while the SWCD is working on the lower river sections and concentrating on private lands.

How does this program include leverage in funds or other effort to supplement any OHF appropriation:

The LSSA has used our charitable gaming funds to supplement work on the first two phases of this LSOHC grant. The amount of charitable gaming money we have spent is approximately \$45,000. These funds went to design work on the second falls, beaver dam removal and beaver trapping. The LSSA has also had a large club volunteer effort. The LSSA estimates that we have spent approximately \$20,000 for equipment use, trees and tree material purchases, volunteer labor and lunches to volunteers for the tree planting related to this grant. This in-house contribution total is approximately \$65,000 since 2012.

Finally, the LSSA has applied for two SOGL grants and as of yet we have not been approved. The LSSA anticipates applying for a SOGL grant again in the spring of 2017 and an Enbridge Habitat grant in 2017.

Describe the source and amount of non-OHF money spent for this work in the past:

Not Listed

How will you sustain and/or maintain this work after the Outdoor Heritage Funds are expended:

A critical component of this project is to insure beaver do not re-impact areas that have been rehabilitated. To insure that these project areas are maintained after the project is complete, annual helicopter flights are conducted to insure beavers do not re-colonize the project areas. These beaver flights are conducted in late autumn by the DNR as they have been previously for over 15 years. If dams or beaver activity is noted in the annual flight, the DNR will contract with Federal trappers to remove the beavers and notch their dams. The estimated cost of the flight, beaver removal and dam notching throughout the entire Knife River watershed is approximately \$15,000. If the DNR loses funding for this project, the TMDL implementation plan has budgeted \$35,000 annually for this task. Included in this budget is beaver flights, trapping, dam notching and supplemental tree planting.

Explain the things you will do in the future to maintain project outcomes:

Year	Source of Funds	Step 1	Step 2	Step 3
July 1, 2017-2018	DNR	Beaver Flight	Beaver Trapping	N/A
July 1, 2017-2018	LSSA	Beaver Stream Walk	Beaver Trapping	Tree Planting
July 1, 2018-2019	DNR	Beaver Flight	Beaver Trapping	N/A
July 1, 2018-2019	LSSA	Beaver Stream Walk	Beaver Trapping	Tree Planting
July 1, 2019-2020	DNR	Beaver Flight	Beaver Trapping	N/A
July 1, 2019-2020	LSSA	Beaver Stream Walk	Beaver Trapping	Tree Planting
July 1, 2020-2021	DNR	Beaver Flight	Beaver Trapping	N/A
July 1, 2020-2021	LSSA	Beaver StreamWalk	Beaver Trapping	Tree Planting

Activity Details:

If funded, this program will meet all applicable criteria set forth in MS 97A.056 - **Yes**

Will there be planting of corn or any crop on OHF land purchased or restored in this program - **No**

Will restoration and enhancement work follow best management practices including MS 84.973 Pollinator Habitat Program - **Yes**

Is the activity on permanently protected land per 97A.056, subd 13(f), tribal lands, and/or public waters per MS 103G.005, Subd. 15 - **Yes (Public Waters, DNR Easements)**

Accomplishment Timeline:

Activity	Approximate Date Completed
Stream Temperature Monitoring	June 2021
Stream Assessment and Stream Reach Surveying	June 2021
Biological Baseline Assessment	June 2021
Rehabilitation Project Design and Permitting	June 2021
Design/Build Construction Activities to Rehabilitate Stream Impacts	June 2021
Tree Planting	June 2021

Date of Final Report Submission: 11/11/2016

Federal Funding:

Do you anticipate federal funds as a match for this program - **Yes**

Are the funds confirmed - **No**

What is the approximate date you anticipate receiving confirmation of the federal funds - **June, 2017**

Outcomes:

Programs in the northern forest region:

- Improved aquatic habitat indicators • *Increase in cool water temperatures.*
 - *Increase in trout and invertebrate habitat.*
 - *Improved stream stability.*
 - *Reduction of erosion.*
 - *Delisting the Knife River as a TMDL impaired river for turbidity.*
 - *Narrower and deeper stream channels.*
 - *Increase in spawning areas.*
 - *Increase rearing habitat.*
 - *Increase in trout production.*
 - *Increase in 2 year old trout retention.*
 - *Increase in riparian tree canopy.*
 - *Decrease in reed canary beaver meadows.*

Budget Spreadsheet

Budget reallocations up to 10% do not require an amendment to the Accomplishment Plan

How will this program accommodate the reduced appropriation recommendation from the original proposed requested amount

Scope of work will be less. We had hoped to possibly have two projects going over a summer but the reduced appropriation will probably keep us to one rehabilitation project per summer.

Total Amount of Request: \$ 1758000

Budget and Cash Leverage

BudgetName	LSOHC Request	Anticipated Leverage	Leverage Source	Total
Personnel	\$189,000	\$0		\$189,000
Contracts	\$1,358,500	\$0		\$1,358,500
Fee Acquisition w/ PILT	\$0	\$0		\$0
Fee Acquisition w/o PILT	\$0	\$0		\$0
Easement Acquisition	\$0	\$0		\$0
Easement Stewardship	\$0	\$0		\$0
Travel	\$0	\$0		\$0
Professional Services	\$30,000	\$80,000	LSSA General Fund	\$110,000
Direct Support Services	\$0	\$0		\$0
DNR Land Acquisition Costs	\$0	\$0		\$0
Capital Equipment	\$0	\$0		\$0
Other Equipment/Tools	\$13,000	\$0		\$13,000
Supplies/Materials	\$167,500	\$0		\$167,500
DNR IDP	\$0	\$0		\$0
Total	\$1,758,000	\$80,000		\$1,838,000

Personnel

Position	FTE	Over # of years	LSOHC Request	Anticipated Leverage	Leverage Source	Total
Grant Manager, Asst. Grant Manager	0.75	4.00	\$189,000	\$0		\$189,000
Total	0.75	4.00	\$189,000	\$0		\$189,000

Amount of Request: \$1,758,000

Amount of Leverage: \$80,000

Leverage as a percent of the Request: 4.55%

DSS + Personnel: \$189,000

As a % of the total request: 10.75%

Does the amount in the contract line include R/E work?

The entire line item is the R/E work.

Describe and explain leverage source and confirmation of funds:

LSSA will be using general organization funds to pay for the fiscal manager.

Output Tables

Table 1a. Acres by Resource Type

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	0	0	0	0	0
Protect in Fee with State PILT Liability	0	0	0	0	0
Protect in Fee W/O State PILT Liability	0	0	0	0	0
Protect in Easement	0	0	0	0	0
Enhance	0	0	0	720	720
Total	0	0	0	720	720

Table 2. Total Funding by Resource Type

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	\$0	\$0	\$0	\$0	\$0
Protect in Fee with State PILT Liability	\$0	\$0	\$0	\$0	\$0
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$0	\$0	\$0
Enhance	\$0	\$0	\$0	\$1,758,000	\$1,758,000
Total	\$0	\$0	\$0	\$1,758,000	\$1,758,000

Table 3. Acres within each Ecological Section

Type	Metro Urban	ForestPrairie	SE Forest	Prairie	N Forest	Total
Restore	0	0	0	0	0	0
Protect in Fee with State PILT Liability	0	0	0	0	0	0
Protect in Fee W/O State PILT Liability	0	0	0	0	0	0
Protect in Easement	0	0	0	0	0	0
Enhance	0	0	0	0	720	720
Total	0	0	0	0	720	720

Table 4. Total Funding within each Ecological Section

Type	Metro Urban	ForestPrairie	SE Forest	Prairie	N Forest	Total
Restore	\$0	\$0	\$0	\$0	\$0	\$0
Protect in Fee with State PILT Liability	\$0	\$0	\$0	\$0	\$0	\$0
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$0	\$0	\$0	\$0
Enhance	\$0	\$0	\$0	\$0	\$1,758,000	\$1,758,000
Total	\$0	\$0	\$0	\$0	\$1,758,000	\$1,758,000

Table 5. Average Cost per Acre by Resource Type

Type	Wetlands	Prairies	Forest	Habitats
Restore	\$0	\$0	\$0	\$0
Protect in Fee with State PILT Liability	\$0	\$0	\$0	\$0
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$0	\$0
Enhance	\$0	\$0	\$0	\$2442

Table 6. Average Cost per Acre by Ecological Section

Type	Metro/Urban	Forest/Prairie	SE Forest	Prairie	Northern Forest
Restore	\$0	\$0	\$0	\$0	
Protect in Fee with State PILT Liability	\$0	\$0	\$0	\$0	
Protect in Fee W/O State PILT Liability	\$0	\$0	\$0	\$0	\$0
Protect in Easement	\$0	\$0	\$0	\$0	\$0
Enhance	\$0	\$0	\$0	\$0	\$2442

Target Lake/Stream/River Feet or Miles

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Parcel List

For restoration and enhancement programs ONLY: Managers may add, delete, and substitute projects on this parcel list based upon need, readiness, cost, opportunity, and/or urgency so long as the substitute parcel/project forwards the constitutional objectives of this program in the Project Scope table of this accomplishment plan. The final accomplishment plan report will include the final parcel list.

Section 1 - Restore / Enhance Parcel List

Lake

Name	TRDS	Acres	Est Cost	Existing Protection?
Knife River and Tributaries	05311232	0	\$0	Yes
Knife River and Tributaries	05211204	0	\$0	Yes
Knife River and Tributaries	05211205	0	\$0	Yes
Knife River and Tributaries	05311205	0	\$0	Yes
Knife River and Tributaries	05311207	0	\$0	Yes
Knife River and Tributaries	05311208	0	\$0	Yes
Knife River and Tributaries	05311217	0	\$0	Yes
Knife River and Tributaries	05311218	0	\$0	Yes
Knife River and Tributaries	05311220	0	\$0	Yes
Knife River and Tributaries	05311229	0	\$0	Yes
Knife River and Tributaries	05311232	0	\$0	Yes
Knife River and Tributaries	05311233	0	\$5,200,000	Yes

St. Louis

Name	TRDS	Acres	Est Cost	Existing Protection?
Main West Knife River and Tributaries	05312203	0	\$0	Yes
Main West Knife River and Tributaries	05312210	0	\$0	Yes
Main West Knife River and Tributaries	05312215	0	\$0	Yes
Main West Knife River and Tributaries	05312222	0	\$0	Yes

Section 2 - Protect Parcel List

No parcels with an activity type protect.

Section 2a - Protect Parcel with Bldgs

No parcels with an activity type protect and has buildings.

Section 3 - Other Parcel Activity

No parcels with an other activity type.

Parcel Map

Knife River Habitat Rehabilitation - Phase III



Data Generated From Parcel List

FISCAL AGENT AGREEMENT

The Lake Superior Steelhead Association (LSSA), a 501.c.3 nonprofit organization agrees to engage with the Zeitgeist Center for Arts and Community (Zeitgeist), a 501.c.3 nonprofit, in the ways described below. This engagement agreement is in regards to LSSA's Phase III-Knife River Habitat Rehabilitation Lessard-Sams Outdoor Heritage Council (LSOHC) grant.

LSSA's Phase III grant funding is expected on or around July 1, 2017. Zeitgeist's role as Fiscal Agent will officially begin no later than the time of funding for Phase III.

This fiscal agent agreement pertains only to LSSA's Phase III LSOHC grant at this time.

It is commonly understood that:

- Zeitgeist will bill LSSA hourly for its time spent on this project.
- LSSA possesses the technical expertise required to manage this process and project and any liability regarding the activities associated with this project shall be LSSA's and only LSSA's.
- Zeitgeist's roles will include, but are not necessarily limited to, providing a second, non-expert opinion on bid proposals combined with others on the RFP Committee, a second reconciling of financial transactions, reviewing expenses and issuing checks and adding a creative, community engagement component to the project.

LSSA Agrees To:

- Allow Zeitgeist open access to Phase III bank account.
- Place Zeitgeist as signatory on Phase III bank account.
- Review all invoices in a timely manner and forward to Zeitgeist for their review and subsequent payment.
- Meet with Zeitgeist to sign checks for approved invoices.
- Copy Zeitgeist on all reimbursement requests submitted to MN DNR.
- Include Zeitgeist in all correspondence that pertains to fiscal agent responsibilities.
- Include Zeitgeist in meetings that pertain to PH III Request for Proposal (RFP) construction projects, as needed.
- Include Zeitgeist on PH III bid (RFP) documents.
- Include Zeitgeist on selection committee for any PH III RFP awards.
- Include Zeitgeist on Final Walk Through on PH III projects.
- Compensate Zeitgeist for its time spent on this project

Zeitgeist Agrees To:

- Review submitted invoices for approval and subsequent payment in a timely manner.
- Maintain budget tracking and bank balance on a monthly basis.
- Provide fiscal information to LSSA as needed or requested.

