

PA-13: East Fork Des Moines River Wetland and Prairie Restoration

Budget Revision

Budget Name	Original Budget			Revised Budget			
	LSOHC Request	Anticipated Leverage	Total	LSOHC Request	Anticipated Leverage	Leverage Source	Total
Personnel	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00	In-Kind	\$ 25,000.00
Contracts	\$ 746,460.00	\$ -	\$ 746,460.00	\$ -	\$ 646,460.00	Landowners	\$ 646,460.00
Fee Acquisition w/ PILT	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Fee Acquisition w/o PILT	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Easement Acquisition	\$ 1,525,968.40	\$ -	\$ 1,525,968.40	\$ 1,290,768.40	\$ 235,200.00	Landowners	\$ 1,525,968.40
Easement Stewardship	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Travel	\$ -	\$ 500.00	\$ 500.00	\$ -	\$ 500.00	In-Kind	\$ 500.00
Professional Services	\$ 246,340.00	\$ -	\$ 246,340.00	\$ 236,340.00	\$ 10,000.00	In-Kind	\$ 246,340.00
Direct Support Services	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
DNR Land Acquisition Costs	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Capital Equipment	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Other Equipment/Tools	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Supplies/Materials	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
DNR IDP	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -
Total	\$ 2,518,768.40	\$ 25,500.00	\$ 2,544,268.40	\$ 1,527,108.40	\$ 917,160.00		\$ 2,444,268.40

	Original Budget	Revised Budget
Amount of Request:	\$ 2,518,768.40	\$ 1,527,108.40
Amount of Leverage:	\$ 25,500.00	\$ 917,160.00
Leverage as a percent of the Request:	1.00%	37.52%
DSS + Personal:	\$ -	\$ -
As a % of the total request:	0%	0%
Easement Stewardship:	\$ -	\$ -
As a % of the Easement Acquisition:	0%	0%

Beginning in 2010, landowners in Martin County began discussions to identify solutions to address flooding concerns within the watershed. Landowners were presented with two options. The traditional approach would include maximizing storage capacity in the most cost effective way and using the least amount of land possible. In this case, the project would require the construction of an approximately 40-acre storage pond with an outlet structure and 16.5 foot buffer around the pond. The pond depth would be much deeper than the restoration option outlined below to maximize storage efficiency and habitat benefits would be minimal.

The second option, as outlined in the proposal to the LSOHC, would permanently protect and restore Lake Manyaska, one of six historic prairie pothole wetland lakes in Martin County. This project would include restoration of the 105-acre shallow lakebed, with 55 acres of wetland prairie and 167 acres of upland native prairie habitat. This project would also require the removal of berms and pumps as well as the addition of an outlet structure, flood culvert, and small wetland pools necessary to provide restored habitat for shorebirds, waterfowl, and other wildlife. In addition, this project would use a specialized native planting mix developed by Martin County SWCD and includes several at-risk and underutilized plant species, benefiting a variety of prairie species and pollinators.

The revised budget provides landowner match for the entirety of costs to create the storage pond outlined in scenario one and in-kind staff time and travel for monitoring and maintenance of the easement. Furthermore, all funding for monitoring and outreach was removed from the revised budget. As such, the revised request from the LSOHC includes costs for purchase of the conservation easement and costs for habitat restoration, with landowners providing all the necessary funding for storage.

From: Jim Manolis
Sent: Thursday, August 31, 2017 8:02 AM
To: Sandy Smith (sandy.smith@lsohc.leg.mn) <sandy.smith@lsohc.leg.mn>
Cc: 'rebecca.enfield@state.mn.us' <rebecca.enfield@state.mn.us>; 'mark.johnson@lsohc.leg.mn' <mark.johnson@lsohc.leg.mn>; Joe Pavelko (Joe.Pavelko@lsohc.leg.mn) <Joe.Pavelko@lsohc.leg.mn>
Subject: Additional information on FRE 03, Northern Minnesota Forest Recovery Project

Hello Sandy,

Here are some clarifications that will further address council member questions related our proposal, FRE 03. Please let us know if there are any other clarifications needed. Thank you!

Jim Manolis, Ph.D.
 Forest Conservation Program
 Director
jim.manolis@tnc.org
 (612) 331-0796 (Minneapolis)
 (218) 727-6119 (Duluth)

nature.org

The Nature Conservancy
Minnesota, North Dakota and South Dakota
 1101 West River Pkwy
 Suite 200
 Minneapolis, MN 55415

394 Lake Avenue South
 Duluth, MN 55802



Responses to Council Member Questions about FR03, The Northern Minnesota Forest Recovery Project

1) How is the proposal different from the Moose proposal?

There are 3 main differences between this proposal and the Moose Proposal.

- a) The majority of the sites and acreage in the Moose proposal will be managed through prescribed fire in large burns, while the majority of sites in the Forest Recovery proposal will be managed through forest harvest or mechanical site preparation (e.g., shearing, brushsaw work), tree planting, and browse protection. Prescribed burning generally has a much lower cost per acre than these mechanical treatments. We chose to be conservative on numbers of acres that we expect to treat through prescribed burning, because it is very difficult to get the right weather conditions for prescribed burns. For example, in Phase I of the Moose project, 2900 acres of prescribed burns were proposed, but only 127 acres were accomplished.
- b) Half of the footprint of the Forest Recovery project is outside the moose range in St. Louis, Carlton, Itasca, Cass, Beltrami Counties. All of the Moose project takes place within moose range (Cook, Lake, and eastern St. Louis Counties).
- c) The Forest Recovery Project includes Black Ash diversification treatments to help ash stands to remain forested through Emerald Ash Borer invasions. The Moose project does not include this treatment type.

2) Why can't we just increase timber harvesting to improve the condition of the forest?*

Hundreds of thousands of acres have declined to the point that they cannot produce viable timber sales. This project will emphasize those acres and return them to a more diverse and productive condition for both wildlife and timber.

3) You said that your scientific approach for selecting sites includes considering “who” wants the work to be done. Who is who?

Site selection involves combining scientific information on sites that most need enhancement with landowner interest. Scientific information consists of GIS maps that identify: a) forest stands that have lost habitat or timber value but could be restored, b) ranks of habitat value, and c) resilience/ability to maintain productive forest through droughts and other elements of a warming climate. Landowner interest defines the “who.” We need landowner support and coordination to do proposed enhancement projects. All projects will take place on permanently protected DNR, US Forest Service, and county lands. We will also grow the network of landowners over time.

4) How many FTEs will the project support, and what is the breakdown of position types?

The implementation approach for this project is based the successful model of the Prairie Recovery Project and our experience doing enhancement actions on 10,000 acres in Northeast Minnesota over the past 10 years. Implementing 14,000 acres of forest enhancements in 3 years will take substantial staff time and coordination with many partners and contractors. We believe that staff capacity is critical to step up the pace and scale of work needed to address the many threats that are degrading forest habitats. Existing TNC and other non-profit and agency staff do not have time to carry out this kind of work at the proposed scale.

The proposed project will support 3.4 positions for three years as follows:

Position	FTE	Years	Notes on Purpose and Need	Total including benefits
Forest Recovery Specialists	2	3	New boots on the ground: assess field sites, meet with landowners, determine specific enhancement actions and necessary supplies, supervise contracting crews, develop and enhance local partnerships, enter data on site actions for reporting.	419,500
Project Management	0.9	3	Hire and supervise Forest Recovery Specialists, assemble and manage science advisory team, recruit new partners and develop overall partnership, work with partners and GIS staff to refine site selection, create annual work plans, purchase seedlings and other supplies, develop requests for contractor proposals (likely 20-25 contracts per year), evaluate proposals, hire contracting crews, negotiate and write contracts, consult with legal staff on contract language, write accomplishment reports.	236,000
Grant Admin	0.13	3	Prepare grant contract and reporting documents, monitor and report on financial data, submit invoices and ensure compliance with all grant rules and specifications.	34,500

GIS Staff	0.4	3	Work with science advisory team to refine site prioritization and selection. This will maximize long-term benefits to habitat for multiple species and coordinate enhancement activities with other activities being carried out by land managers. Create maps of sites for Forest Recovery Specialists and contractors, manage geographic database of enhancement actions and accomplishment measures, analyze and produce data for reporting.	109,300
Total	3.43	3		\$799,300

5) Why does the list of counties include duplicate county names, some in all capital letters some in lowercase? Are there any redundancies?

We checked on this and it appears this happened because our spreadsheet of parcels had county names for some parcels listed in all capital letters, and some in lowercase. When we uploaded our spreadsheet to the LSOHC proposal application website, the application software interpreted the county names with different cases as separate counties (e.g., the program considered "CASS and Cass" as different counties). All parcel listings were unique, however.

*this question was asked in discussion about a different proposal, but applies to ours as well.

From: [Karen Galles](#)
To: [Rep. Dan Fabian](#)
Cc: [Amy Zipko](#); [Becky Enfield](#); [Joe Pavelko](#)
Subject: RE: Hennepin County Proposal Questions
Date: Wednesday, September 06, 2017 12:46:33 PM

Representative Fabian,

Thank you for asking about the Hennepin County habitat protection grant application to the Lessard-Sams Outdoor Heritage Council (OHC) and the opportunity to respond.

The Hennepin County Board of Commissioners adopted a Natural Resources Strategic Plan in 2015 that included directing the county's Environment and Energy Department to pursue wetland banking opportunities. This grew from concern that more wetland mitigation and replacement was needed within the county to stem a net loss of wetlands and degradation of our water resources. This Board-adopted policy lays the groundwork for the Department to pursue next steps.

We applied to the OHC for grant support to enhance protection of habitat, including wetlands, before these resources are lost. An award will have the potential to protect and preserve more wetlands in the county for several reasons. The grant is critical to expanding our existing habitat protection program. It will allow us to interact with far more landowners, improve our ability to identify potential parcels for protection, and work with landowners to determine the best possible mechanism for habitat protection.

Hennepin County has exceptional habitat worth protecting, and private landowners want to protect that habitat. Unfortunately, development pressure and population growth have the potential to lead to lost habitat, including wetlands. The County sees habitat protection and wetland preservation within our borders as integral to each other. The county has the capacity to get projects done, and an award from the OHC will make the county's habitat protection program more proactive, making it possible for us to protect more habitat.

Thank you for asking for this clarification. Wetland banking and conservation easement acquisition are critical elements of the county's overall habitat protection strategy. We are eager to elevate our ability to acquire conservation easements with the help of the LSOHC. Please let me know if you have any additional questions or would like to talk or meet about this topic further.

All my very best,
Karen Galles

Karen Galles
Hennepin County Environment and Energy
612-348-2027 (office) | 507-301-9625 (mobile)
Karen.Galles@hennepin.us

From: Dan Fabian [mailto:rep.dan.fabian@house.mn]

Sent: Thursday, August 31, 2017 9:20 AM

To: Karen Galles <Karen.Galles@hennepin.us>

Cc: Amy Zipko <Amy.Zipko@house.mn>

Subject: Re: Hennepin County Proposal Questions

Karen:

Thanks for following up.

"Would you like any additional explanation from us regarding how we could integrate wetland banking into our overall habitat protection strategy?" YES.

Thanks,

Dan

Rep. Dan Fabian
District 1A
359 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
Saint Paul, Minnesota 55155
(651) 296-9635
1-888-727-0979
rep.dan.fabian@house.mn

Sign up for my weekly email updates at

<http://www.house.leg.state.mn.us/members/join.asp?id=15346>

or visit my webpage at

<http://www.house.leg.state.mn.us/members/members.asp?district=01A>

Disclaimer: If you are not the intended recipient of this message, please immediately notify the sender of the transmission error and then promptly delete this message from your computer system.

From: [Karen Galles](#)
To: [Jane Kingston](#)
Cc: [Joe Pavelko](#); [Becky Enfield](#)
Subject: RE: Hennepin County Proposal Questions
Date: Wednesday, September 06, 2017 12:54:59 PM
Attachments: [Map 1 Hennepin County MCBS Overlap.pdf](#)
[Map 2 Overlap Outside of Parks.pdf](#)
[HennepinCounty_Revised Prioritization Criteria.pdf](#)

Ms. Kingston,

Thank you for your questions about the Hennepin County Habitat Protection Program, Phase I proposal and for the opportunity to respond.

Many of the areas we're targeting are identified in the MN County Biological Survey (MCBS). Our priorities for habitat protection include county-wide "ecologically significant natural areas" and "natural resource corridors" each of which are based on MCBS data, coupled with Hennepin County's own Natural Resources Inventory data. Whereas MCBS was applied primarily to public lands in Hennepin County, the Hennepin County Natural Resource Inventory made a special effort to catalog natural communities on private lands as a complement to MCBS data. You can see the areas of overlap between Hennepin County's priority areas and MCBS in yellow on Map 1 (attached). Many of these areas are already permanently protected as large regional parks (see Map 2). These parks are critical nodes of high quality habitat throughout the county, but safe from development pressure. Our Program will focus on protecting critical habitat outside of areas that are already permanently protected by identifying areas of focus for conservation easement acquisition where there are high concentrations of remaining habitat. We will use our local inventory and prioritization data as well as areas of overlap with MCBS to determine areas of focus for our easement acquisition as well as habitat restoration and enhancement efforts.

Regarding criteria and weighting factors, I've also attached a revised version of the Conservation Easement Selection Criteria explanation that was submitted with our proposal. The worksheet (pg. 3 of the attached) is based on an evaluation framework that Minnesota Land Trust has been using with success in other program areas, and that we will be using and adapting to our Program as well. This is a living document that we are currently working to make more user-friendly – MLT will be meeting with Council Member Blackburn regarding its use in their other programs before the end of September. We would be happy to meet with you to walk through its use in Hennepin County as well.

I hope this helps clarify these issues for you – please let me know if you have further questions or would like to meet to talk about selection criteria (or anything else)!

All my very best,

Karen Galles

Karen Galles

Hennepin County Environment and Energy

612-348-2027 (office) | 507-301-9625 (mobile)

Karen.Galles@hennepin.us

From: Jane Kingston [mailto:janehkingston@gmail.com]

Sent: Thursday, August 31, 2017 11:03 AM

To: Karen Galles <Karen.Galles@hennepin.us>

Subject: Re: Hennepin County Proposal Questions

Hi, Karen,

Thanks for following up - one of my questions directly references the subject in the application/proposal ("Describe how proposal uses science-based targeting that leverages or expands corridors and complexes, reduces fragmentation or protects areas identified in the MN County Biological Survey"). You've laid out a process, but the response in your proposal answer doesn't specifically answer whether the areas you are targeting are ID'd in the MN County Biological Survey. Are they?

Also, in regard to your RFP Evaluation Framework, although factors and criteria are listed, no weight factors are given. That's what I'm looking for.

If you take a look at other proposals, you'll find this sort of information has generally been provided. It's such a competitive process, Councillors really do compare and contrast everything in a great deal of detail.

Best to you,
Jane

Disclaimer: If you are not the intended recipient of this message, please immediately notify the sender of the transmission error and then promptly delete this message from your computer system.

Hennepin County Habitat Conservation Program

Conservation easement selection criteria

The Hennepin County Habitat Conservation Program is a partnership between Hennepin County and the Minnesota Land Trust that protects the best remaining wildlife habitat within the county's ecologically significant areas and natural resource corridors. This program will work with willing landowners to secure conservation easements that protect the county's forests, wetlands, grasslands, and riparian and shoreland areas and the wildlife that rely on these habitats. The program also enhances existing habitat and restores degraded habitat. Easements completed through this program will be co-held by Hennepin County and the Minnesota Land Trust.

Through a competitive Request for Proposal (RFP) process, landowners within targeted priority areas will submit an application to participate in the program. Submitted projects will initially be scored on two primary factors: ecological significance and cost.

Ecological significance

The ecological significance of a property is determined through an analysis of three aspects:

- Quantity: The size of habitat and/or length of shoreline associated with a parcel and abundance of species of greatest conservation need and threatened and endangered species.
- Quality: The condition of the associated habitat and populations of species of greatest conservation need and threatened and endangered species
- Landscape context: The extent and condition of natural habitat surrounding the parcel, and the degree to which adjacent property has been protected.

Cost

Cost is determined by asking landowners to propose a price they would need to receive in order to agree to a conservation easement. This information is combined with an estimated and eventually appraised easement value. In project ranking, landowners willing to accept less than the appraised value of the easement are given additional credit because their donation makes the easement a more cost-effective conservation option.

Additional evaluation

The two primary factors of ecological significance and cost will inform an initial score that will be used to rank a proposed parcel relative to others. Subsequent discussions with each landowner participating in the RFP process will allow project partners to:

- Gain a better sense of the landowner's desires for and expected uses of the property
- Confirm the ecological condition of the habitat
- Evaluate the level of threat and urgency to protect the parcel.

These post-proposal evaluations may result in proposed parcels moving up or down on the list of ranked parcels.

Minimum criteria

Hennepin County and the Minnesota Land Trust have set the following minimum criteria for inclusion into the program:

- The proposed easement area must be located within identified natural resource corridors and/or ecologically significant areas in Hennepin County.
- A maximum of 20 percent of the proposed easement area may be in agricultural use unless such areas are targeted for restoration. Consideration to exceed this cap may be warranted in certain circumstances.
- The proposed easement area must contain high-quality native plant communities (e.g., forests, prairies, woodlands, etc.), shoreland along rivers and streams, or rare and threatened species. Consideration may be given to land not containing high-quality areas if it is adjacent to critically important protected properties and restoration is a required element of the easement.
- The proposed easement area cannot be enrolled previously in permanent protection programs, such as the Reinvest in Minnesota program.

Additional requirements will be stipulated within each conservation easement agreement as it relates to the special characteristics of the land and the particular situation of the landowner.

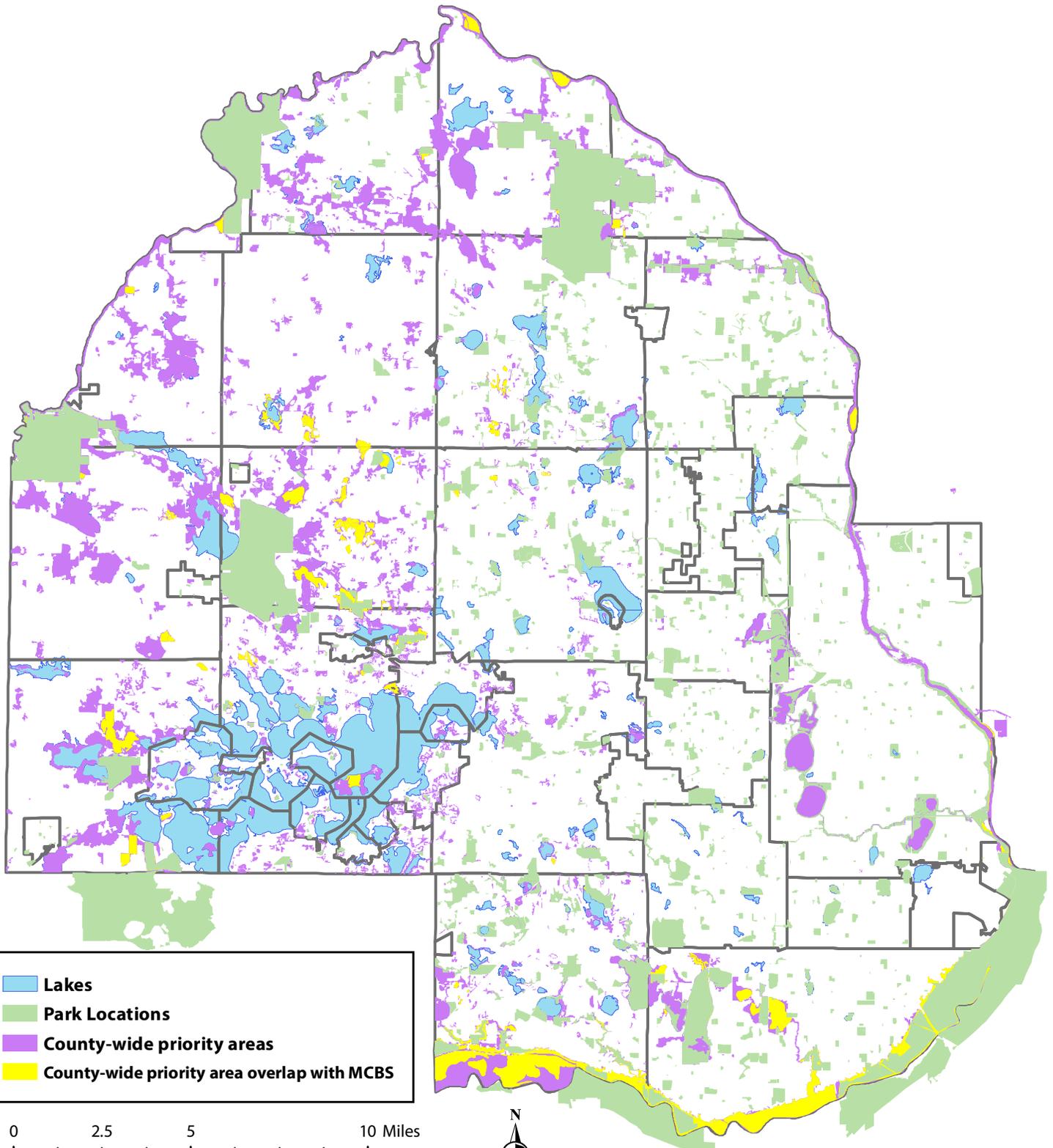
Ranking and selection criteria

The ranking and selection system is informed by the ecological ranking framework used by the Minnesota Department of Natural Resources, The Nature Conservancy, and nationally by the Natural Heritage Data Center Network. Using a ranking system that prioritizes projects based on ecological value and cost enables this program to secure conservation easements that protect Hennepin County's most critical wildlife resources in the most cost-effective way.

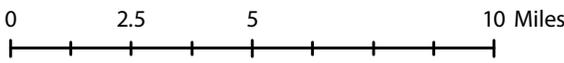
Conservation Easement Prioritization Worksheet, Primary Factors

ECOLOGICAL SIGNIFICANCE	
Size/Abundance of Habitat (33.3% of Ecological Significance Score) – 100 points maximum	
Weight	Indicators
50	Acres of existing habitat to be protected by an easement
0.5	Feet of shoreline along lakes, rivers, and streams to be protected by easement
SUM PARCEL SCORE =	
SUBTOTAL [(Parcel Score/Max Parcel Score)*100] =	
Quality of Natural Resources to be Protected (33.3% of Ecological Significance Score) – 100 pts. maximum	
1	Quality of existing native plant communities (Scale 1-20)
3	Occurrences of documented rare features on parcel
SUM PARCEL SCORE =	
SUBTOTAL [(Parcel Score/Max Parcel Score)*100] =	
Landscape Context (33.3% of Ecological Significance Score) – 100 points maximum	
<i>Proximity to public & protected lands</i>	
10	Amount of contiguous border between parcel and protected lands (feet)
5	Area of protected lands within 0.5 miles of property to be protected (acres)
1	Area of protected lands within 3 miles of property to be protected (acres)
<i>Ecological Condition</i>	
5	Area of Outstanding Biodiversity Significance within 3 miles of parcel (acres)
2.5	Area of High Biodiversity Significance within 3 miles of parcel (acres)
1	Area of Moderate Biodiversity Significance within 3 miles of parcel (acres)
<i>Future Impact</i>	
100	Area of parcel within a priority conservation area as identified by State plans (acres)
25	Area of parcel within a local/county/watershed priority area (acres)
SUM PARCEL SCORE =	
SUBTOTAL [(Parcel Score/Max Parcel Score)*100] =	
TOTAL ECOLOGICAL VALUE SCORE (300 POINTS MAX):	
COST	
Landowner bid (\$/acre):	
Estimated purchase price (bid amount x easement acres):	
Estimated easement value (easement acres x 0.6 assessed value):	
Estimated donative value (estimated easement value – estimated purchase price):	

Map 2: Overlap of County Biological Survey Outside of Parks



- Lakes
- Park Locations
- County-wide priority areas
- County-wide priority area overlap with MCBS

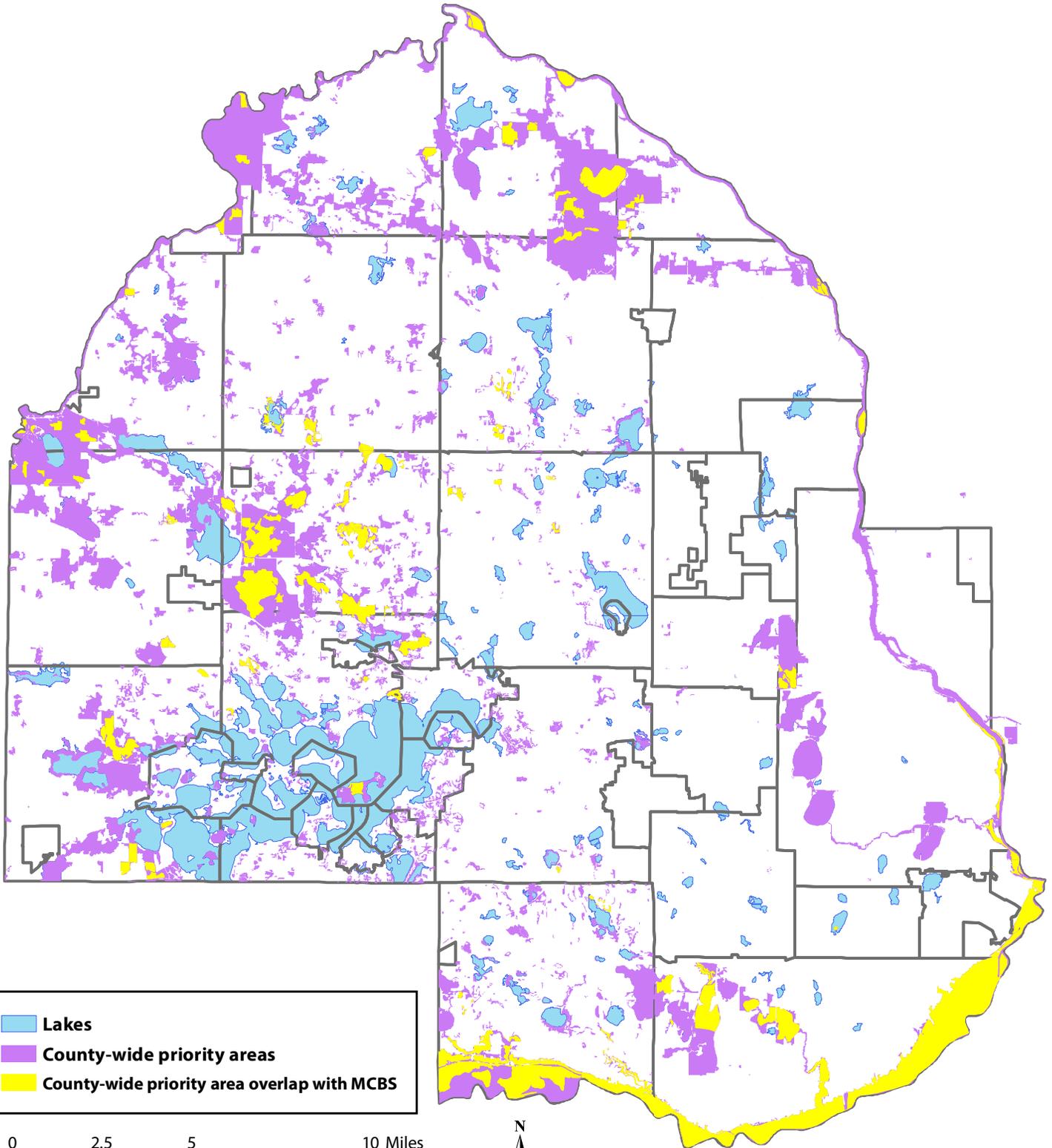


This map (i) is furnished "AS IS" with no representation or completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering, or surveying purposes. Hennepin County shall not be liable for any damage, injury, or loss resulting from this map.

Publication Date: 9/5/17



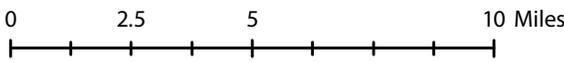
Map 1: Overlap of County Biological Survey & County Priority Areas



Lakes

County-wide priority areas

County-wide priority area overlap with MCBS



This map (i) is furnished "AS IS" with no representation or completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering, or surveying purposes. Hennepin County shall not be liable for any damage, injury, or loss resulting from this map.

Publication Date: 9/5/17



MINNEHAHA CREEK
QUALITY OF WATER



WATERSHED DISTRICT
QUALITY OF LIFE

September 7, 2017

Members of the Lessard Sams Outdoor Heritage Council
100 Rev. Dr. Martin Luther King Jr. Blvd.
State Office Building, Room 95
St. Paul, MN 55155

Dear Councilmembers,

Thank you once again for affording the Minnehaha Creek Watershed District the opportunity to present the Six Mile Halsted Bay Habitat Restoration Program (HRE-09), a potential partnership with the Lessard Sams Outdoor Heritage Council to restore 2,488 acres of shallow lake and littoral zone habitat in the Twin Cities Metro region at the headwaters of Lake Minnetonka.

The proposal will strategically manage large populations of Common Carp within the system, allowing for the reemergence of aquatic plants, enhancing forage opportunities for birds and waterfowl, and creating enhanced habitat for a once thriving fishery. The strategy for carp management, built in partnership with Dr. Peter Sorenson of the Minnesota AIS Research Center, includes: preventing ongoing reproduction system-wide; strategically employing water control structures and barriers; and removing adult biomass concentrations to levels at which restorations have proven successful.

During our presentation to the Council, Councilmember Blackburn questioned whether expenditures on aeration units constitute capital costs, or are ongoing operational costs. We wanted to provide this brief follow up to clarify how the aeration units are integral to successfully restoring habitat within this system.

The Six Mile Creek-Halsted Bay Common Carp Assessment, completed by Dr. Sorenson, identified four small ponds responsible for producing the tens of thousands of carp that inhabit this 12 lake system. Installation of aeration units within these identified recruitment areas and annual winter operations will keep predator fish alive – principally bluegills and sunfish – to consume carp eggs spawned in the spring, preventing reproduction.

The request includes a total of \$114,000 related to the aeration of these shallow marsh areas. That \$114,000 includes \$22,000 capital investment for the aeration units themselves and \$72,000 for their installation, including running electricity to several of the more remote marsh locations. We believe these costs to be a direct capital infrastructure investment and therefore eligible for Outdoor Heritage funds. The remaining \$20,000 was for operating the units over the grant period, which will be removed from the request and absorbed as a District cost.

Beyond the LSOHC funding cycle, the District is committed to maintaining these aeration units as permanent infrastructure through its active Operations and Maintenance program. Anticipated costs include routine effectiveness inspections, electricity to run the units through the winter, and any needed

We collaborate with public and private partners to protect and improve land and water for current and future generations.

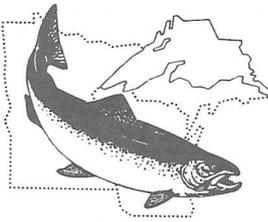
upkeep costs. The request to the Council will fund the initial investment in equipment and its installation, which are traditionally viewed as capital costs.

We look forward to creating a lasting and meaningful partnership with LSOHC to restore the 2,488 acres of shallow lake habitat in what would likely be one of the largest and most economically and ecologically sustainable carp control programs in the Midwest.

Sincerely,

Anna Brown
Planner-Project Manager

We collaborate with public and private partners to protect and improve land and water for current and future generations.



LAKE SUPERIOR STEELHEAD ASSOCIATION

P.O. Box 16034 · Duluth, MN 55816-0034

September 14, 2017

Lessard - Sams Outdoor Heritage Council
Room 95, State Office Building
St. Paul, MN 55155

RE: Response to Lessard - Sams Outdoor Heritage Council Questions.

The Lake Superior Steelhead Association (LSSA) met the two prior requests of the Lessard-Sams Outdoor Heritage Council (LSOHC) /MN Department of Natural Resources (MN DNR) staff for Phase III: the replacement of the LSSA's CEO - Craig Wilson voluntarily stepped down and Mike Pitan is the new LSSA CEO; and that the LSSA associate with a group to act as Fiscal Agent - Zeitgeist (ZG) is a very well respected, local nonprofit well versed in Fiscal Agent responsibilities.

The LSSA and ZG would like to provide a follow-up response to questions raised during our August 23rd, 2017 testimony at the LSOHC hearing.

Question #1 - LSHOC funds cannot be used for promotion or marketing: No grant funds will be used for any inappropriate or unlawful grant related activities. All funds will go to habitat related work only. Any related promotion would be paid for in-house and would not be performed unless authorization was received from LSOHC to insure our efforts would not be redundant or inconsistent with LSOHC policy.

Question #2 - Monitoring and Research: Only necessary project assessment, survey and monitoring work will be completed to comply with MN DNR requirements and local, state and federal permitting requirements. No grant funds will be used for research purposes.

Question #3 - 10% for Direct Support Services: Following the direction of the State of MN and the LSOHC, LSSA sought a fiscal partnership with ZG. Zeitgeist has provided Fiscal Sponsorship to several local projects and this 10% fee is consistent with those charged to other projects of this nature.

Question #4 - 10% for Personnel: When the grant application was submitted the 10% for DSS and the 10% for Personnel was a redundant cost meant as an either/or expense and not a combined total of 20%. Due to the timing of the grant submittal, the ZG Board did not have a chance to meet and vote to approve the fiscal management of this grant. Had ZG not gotten their Board's approval, the LSSA would have needed the Personnel

category for in-house oversight. Now that ZG has Board approval to provide grant management, the 10% listed for Personnel will drop back into Contracts.

Question #5 – RFP Process: LSSA/ZG intend to follow the Minnesota Department of Natural Resources “ENRTF/OHF Pass-Through Grant Agreement Attachment B: Non-Governmental Organization Subcontracting” form-copy attached.

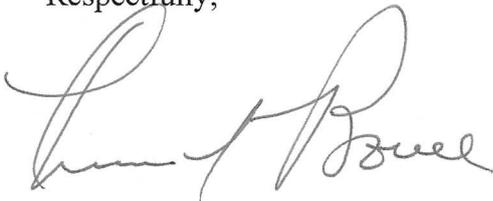
The MN DNR has clarified its role in the RFP process for stream projects related to LSSA/ZG grants, as listed below:

- MN DNR can provide technical assistance in preparing the RFP
- MN DNR can provide input on groups that could be contacted to receive the RFP
- MN DNR can provide technical assistance in assessment of submitted bids to inform a broader decision process by the selection committee
- MN DNR can be present at the public opening of bids

As you saw in the photos we presented during our testimony, Phase II of our Knife River project were resounding examples of the success of our work. Phase III has the same, if not greater, potential to improve Lake Superior and protect this important river habitat.

Thank you for your past support.

Respectfully,

A handwritten signature in cursive script, appearing to read "Kevin J. Bovee". The signature is written in black ink and is positioned above the printed name.

Kevin J. Bovee



Minnesota Department of Natural Resources

ENRTF/OHF Pass-Through Grant Agreement Attachment B: Non-Governmental Organization Subcontracting

Subcontractors include other organizations and/or businesses that perform services identified in the work/accomplishment plan. Vendors provide supplies or materials to the project. Both must be selected based on state's contracting thresholds. Transparency, fiscal control, and accountability are key reasons why the State requires grantees to be thorough in the solicitation and selection of subcontractors and vendors.

Non-governmental organizations may submit a copy of their contracting policies for review by the State's Authorized Representative via this attachment or follow the contracting policies/procedures as outlined in the current Reimbursement Manual and section 9 Subcontractors, Contracting, and Bidding Requirements in your grant agreement (thresholds are summarized below).

Whether you are seeking approval for using your contracting policies or using the state thresholds, please remember the following:

- Verify that the vendor/subcontractor is not on the State's debarment list: <http://www.mmd.admin.state.mn.us/debarredreport.asp>.
- Each executed subcontract must include the amount of the subcontract, the length of the subcontract, and all elements of the grantee's contract with the State.
- Retain on file copies of the executed subcontract agreements and a copy of the bid tabulation (if applicable) along with written documentation that describes the rationale for selection of the subcontractor. This documentation may be reviewed during the monitoring visit or when requested by the State.

Please select one option:

___ My organization will follow the state's contracting policies/procedures and thresholds as follows:

1. Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
2. Any services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three (3) verbal quotes or bids.

3. Any services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two (2) verbal quotes.
4. The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
 - a. [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
 - b. Metropolitan Council's Targeted Vendor list: [Minnesota Unified Certification Program](#)
 - c. Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Program](#).

_____ My organization is submitting a copy of our contracting policies for review by the State's Authorized Representative, the use of which must be approved prior to proceeding with awarding subcontracts with state funds.

Authorized Representative Name: _____

Signature: _____ Date: _____

Organization Name: _____

Project Name: _____

Legal Citation: ML_____, Chapter _____, Article ____, Section ____, Subdivision ____

For DNR use if the grantee organization submitted their contracting policies for review

I have reviewed the contracting policies submitted and approve the use of them during the term of this project.

Notes:

State's Authorized Representative Name: _____