

**Minnehaha Creek Watershed District**

**REQUEST FOR BOARD ACTION**

**MEETING DATE:** September 27, 2018

**TITLE:** Authorization to Execute a Grant Agreement with the Minnesota Department of Natural Resources

**RES.NUMBER:** 18-101

**PREPARED BY:** Anna Brown

**E-MAIL:** Abrown@minnehahacreek.org

**TELEPHONE:** (952) 641-4522

**REVIEWED BY:**  Administrator  Counsel  Program Mgr.: Michael Hayman  
 Board Committee  Engineer  Other

**WORKSHOP ACTION:**

<input type="checkbox"/> Advance to Board mtg. Consent Agenda.	<input type="checkbox"/> Advance to Board meeting for discussion prior to action.
<input type="checkbox"/> Refer to a future workshop (date):_____	<input type="checkbox"/> Refer to taskforce or committee (date):_____
<input type="checkbox"/> Return to staff for additional work.	<input type="checkbox"/> No further action requested.
<input checked="" type="checkbox"/> Other (specify): <u>Requesting final action September 27, 2018</u>	

**PURPOSE or ACTION REQUESTED:**

Authorization to Execute a Grant Agreement with the Minnesota Department of Natural Resources for Lessard-Sams Outdoor Heritage Funding.

**PROJECT/PROGRAM LOCATION:**

Wassermann West Property, Victoria, MN

**PROJECT TIMELINE:**

October 2017	MCWD recommended for funding through Lessard Sams Outdoor Heritage Fund (OHF)
May 2018	MN Legislature approves funding for OHF Projects
July 1, 2018	Grant period began
June 30, 2021	Close of OHF grant period

**PROJECT/PROGRAM COST:**

Fund name and number: SMCHB Carp Management (500-5007)  
Current Budget: \$567,000 (reimbursable)  
Expenditures to date:  
Requested amount of funding: \$0

**PAST BOARD ACTION:**

May 11, 2017 Authorization to request funding from Lessard Sams Outdoor Heritage Council (17-036)  
June 28, 2018 Authorization to purchase equipment for SMCHB Habitat Restoration Project (18-061)

**SUMMARY:**

In May 2017 staff applied for funding to the Lessard Sams Outdoor Heritage Council (Council), the first phase of the Six Mile Creek-Halsted Bay Habitat Restoration Program (carp management). After the submissions were reviewed and ranked, and staff presented the program to the Council, the program was recommended for \$567,000 to the Minnesota State Legislature for approval. The Outdoor Heritage Fund Bill was approved by the Legislature in May of 2018.

As part of the application process, MCWD staff submitted an accomplishment plan to the Council detailing project scope, proposed uses of the funding, and match dollars. Consistent with the accomplishment plan, now approved by the Council, the grant funds will be used to pay for the capital cost of barrier installation, utility installation for aeration, and the fish removal contracts. The District match includes equipment for removal and monitoring, aeration units, and design services.

While the Council and its staff are responsible for reviewing and ranking applications, recommending funding, approving accomplishment plans, preparing the funding bill, and approving accomplishment plan changes, the grant administration is managed by the Minnesota Department of Natural Resources (DNR) pass-through grants program. As such, the grant agreement is with the DNR acting as an agent of the State of Minnesota, and the DNR will be the primary entity managing the grant through the three year time period.

The MCWD Board of Managers has reviewed the accomplishment plan for the project and has authorized several contracts for the project, both reimbursable and District match. Approved contracts and purchases to date have included the acquisition of electroshocking equipment (match), aeration units (match), and several contracts for fish removal (reimbursable). The District also has two active design contracts – for utility design to service aeration and for barrier design – both District match.

The grant agreement is effective July 1, 2018 through June 30, 2021. The grant agreement was distributed after the effective date of the grant period and the timing of its execution does not impact fund availability.

Staff recommends the District Board of Managers approve the grant agreement and authorize its execution by the District Administrator.

**Attachments**

- DNR grant agreement and attachments



**STATE OF MINNESOTA  
GRANT AGREEMENT  
Outdoor Heritage Fund**

This grant agreement is between the State of Minnesota, acting through its Commissioner of Natural Resources ("State") and Minnehaha Creek Watershed District 15320 Minnetonka Blvd, Minnetonka, MN, 55345 ("Grantee").

**Recitals**

1. Under ML 2018, Ch. 208, Art. 1, Sec. 2, Subd. 5(p), Six Mile Creek-Halsted Bay Habitat Restoration Phase I, \$567,000 is from the fund to the commissioner of natural resources for an agreement with the Minnehaha Creek Watershed District to restore and enhance fish habitat in the Six Mile Creek - Halsted Bay subwatershed. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan and as provided in Minnesota Statutes, section 84.026.
2. The State awards to the Grantee for the purpose of conducting the program entitled Six Mile Creek-Halsted Bay Habitat Restoration Phase I in the manner described in the Grantee's approved Accomplishment Plan.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant agreement and Attachment F, Additional Outdoor Heritage Fund Requirements to the satisfaction of the State.

**Grant Agreement**

**1. Term of Grant Agreement**

- 1.1. **Effective date:** 7/1/2018.  
Per Minnesota Statutes Section 16B.98, subdivision 7, no payments will be made to the Grantee until this grant agreement is fully executed
- 1.2. **Expiration Date:** 6/30/2021. Unless otherwise provided, the amounts in this section are available until June 30, 2021. For acquisition of real property, the amounts in this section are available until June 30, 2022, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2021, and closed no later than June 30, 2022. Funds for restoration or enhancement are available until June 30, 2023, or five years after acquisition, whichever is later, in order to complete initial restoration or enhancement work.
- 1.3. **Survival of Terms:** The following clauses survive the expiration or cancellation of this grant agreement: 10 Liability; 11 State Audits; 12 Government Data Practices and Intellectual Property; 14 Acknowledgment and Endorsement; 15 Governing Law, Jurisdiction, and Venue; 17 Data Disclosure; 20 Monitoring; and 24 Program Requirements.
- 1.4. **Incur Expenses:** Notwithstanding Minnesota Statutes, section 16A.41, expenditures made on or after 7/1/2018, or the date the Accomplishment Plan is approved, whichever is later, are eligible for reimbursement unless otherwise provided in Attachment F, subd. 8.

**2. Grantee's Duties**

The Grantee, who is not a state employee, will:

See Attachment A, approved accomplishment plan, which is incorporated and made a part of this agreement. If applicable, the Grantee shall provide the State's Authorized Representative a copy of the revised accomplishment plan and the corresponding LSOHC approval letter within one week of any LSOHC approved changes to the accomplishment plan.

The Grantee will comply with required grants management policies and procedures set forth through Minnesota Statutes Section 16B.97, subdivision 4 (a) (1).

The Grantee agrees to complete the program in accordance with the approved budget to the extent practicable and within the program period specified in the grant agreement. Any material change in the grant agreement shall require an amendment by the State (see Section 8.2).

The Grantee shall be responsible for the administration, supervision, management, record keeping and program oversight required for the work performed under this agreement.

The Grantee is responsible for maintaining an adequate conflict of interest policy. Throughout the term of this

agreement, the Grantee shall monitor and report any actual, potential, or perceived conflicts of interest to the State's Authorized Representative.

### 3. Time

The Grantee must comply with all the time requirements described in this grant agreement.

### 4. Consideration and Payment

4.1. **Consideration.** Consideration for all services performed by Grantee pursuant to this grant agreement shall be paid by the State as follows:

4.1.1. **Compensation.** Compensation in an amount not to exceed \$567,000 based on the following computation: See Attachment A for project budget.

4.1.2. **Matching Requirements.** Grantee certifies that the following matching requirement for the grant will be met by GRANTEE. The total project cost is \$567,000. Grantee agrees to match at least \$0 of this project cost.

THE TOTAL STATE OBLIGATION FOR ALL COMPENSATION AND REIMBURSEMENTS TO GRANTEE SHALL NOT EXCEED: FIVE HUNDRED SIXTY SEVEN THOUSAND DOLLARS AND NO CENTS.

Funds made available pursuant to this Agreement shall be used only for expenses incurred in performing and accomplishing the purposes and activities specified herein. Notwithstanding all other provisions of this Agreement, it is understood that any reduction or termination of funds allocated to the State may result in a like reduction to the Grantee.

#### 4.2. Payment.

4.2.1. **Payment.** The State shall disburse funds to the Grantee pursuant to this agreement **on a reimbursement basis**. The Grantee shall submit payment requests with required expenditure documentation, as defined in the current Reimbursement Manual, to the State for review and approval. The Grantee shall submit payment requests on a regular basis (i.e. quarterly). The Grantee shall submit a final billing within 30 days of the end of the program period, or the expiration of the grant as specified herein.

If necessary, advance payments on grants shall be negotiated between the State and Grantee on a case by case basis. In order to make advance payments, the Grantee must prepare and submit a written justification to the State for approval that details the specific need to utilize advance payments. A copy of the signed justification must be maintained in the grant file. All advance payments on grants over \$50,000 must be reconciled within 12 months of issuance or within 60 days of the end of the grant period.

4.2.2. **Retainage.** The final reimbursement will be paid out when the State determines that the Grantee has satisfactorily fulfilled all the terms of this agreement, unless otherwise excluded by the State in writing.

### 5. Use of Funds

5.1. The Grantee shall use the proceeds of this agreement only for the eligible direct expenditures of the program as described in the approved accomplishment plan.

5.2. The Grantee may provide portions of the proceeds of this agreement to the State. Work done by the State must be so specified in the approved accomplishment plan. A letter shall be submitted to the State's Authorized Representative and include: work to be accomplished; the specific area of the accomplishment plan authorizing the work; the portion of the proceeds to be used by the State; and the name, title, address, phone number and e-mail address for the State's staff member assigned to accomplish the work. The State will have the opportunity to review the letter and approve the work prior to accepting the funds. The Grantee's proceeds available under clause 4, Consideration and Payment, of this agreement shall be reduced by the amount provided for State use. In return, the State agrees to report back to the Grantee as to how appropriation funds were spent once the work is completed.

### 6. Conditions of Payment

All services provided by the Grantee under this grant agreement must be performed to the State's satisfaction, as

determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law. The Grantee will be bound to the most recent Reimbursement Manual, as provided by the State each state fiscal year.

## 7. Authorized Representative

The State's Authorized Representative is Katherine Sherman-Hoehn, or his/her successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant agreement. If the services are satisfactory, the State's Authorized Representative or his/her designee will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Anna Brown, 15320 Minnetonka Blvd, MN, 55345, [abrown@minnehahacreek.org](mailto:abrown@minnehahacreek.org), 952-641-4522, or his/her successor. If the Grantee's Authorized Representative changes at any time during this grant agreement, the Grantee must immediately notify the State.

## 8. Assignment, Amendments, Waiver, and Grant Agreement Complete

- 8.1. **Assignment.** The Grantee may neither assign nor transfer any rights or obligations under this grant agreement without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this grant agreement, or their successors in office.
- 8.1. **Amendments.** Any amendment to this grant agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant agreement, or their successors in office.
- 8.2. **Waiver.** If the State fails to enforce any provision of this grant agreement, that failure does not waive the provision or its right to enforce it.
- 8.3. **Grant Agreement Complete.** This grant agreement contains all negotiations and agreements between the State and the Grantee. No other understanding regarding this grant agreement, whether written or oral, may be used to bind either party.

## 9. Subcontractors, Contracting, and Bidding Requirements

- 9.1 The Grantee agrees that if it subcontracts any portion of this project to another entity, the agreement with the subcontractor will contain all applicable provisions of the agreement with the State. The Grantee will refer to the Subcontractors section in the current Reimbursement Manual, as provided by the State.
- 9.2 Per [Minnesota Statute 471.345](#), **Municipalities** as defined in Subd.1 must follow that Uniform Municipal Contracting Law if contracting funds from this grant contract agreement for any supplies, materials, equipment, or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property.
  - 9.2.1. Support documentation of the bidding process utilized to contract services must be included in the grantee's financial records, including support documentation justifying a single/sole source bid, if applicable.
  - 9.2.2. For projects that include construction work of \$25,000 or more, prevailing wage rules apply per Minnesota Statute 177.41 through 177.44. Consequently, the bid request must state the project is subject to prevailing wage. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.
- 9.3 **Nongovernmental organizations** must follow the below requirements or submit a copy of their organization's contracting policies via Attachment B for review and possible approval by the State's Authorized Representative.
  - 9.3.1. Any services and/or materials that are expected to cost \$100,000 or more must undergo formal public notice and solicitation process. Support documentation of this process must be included in the grantee's financial records.
  - 9.3.2. Any services and/or materials that are expected to cost between \$25,000 and \$99,999 must be based on three (3) bidders. Support documentation of this process must be included in the grantee's financial records.
  - 9.3.3. Any services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively based on a minimum of two (2) verbal quotes or awarded to a targeted vendor.
  - 9.3.4. 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:
    - [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and](#)

### [Veteran-Owned Vendor List](#)

- Metropolitan Council's Targeted Vendor list: [Minnesota Unified Certification Program](#)
  - Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Program](#).
- 9.3.5. Support documentation of the bidding process utilized to contract services must be included in the grantee's financial records, including support documentation justifying a single/sole source bid, if applicable.
- 9.3.6. For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minnesota Statue 177.41](#) through [177.44](#). Consequently, the bid request must state the project is subject to prevailing wage. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.

## **10. Liability**

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant agreement by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant agreement.

## **11. State Audits**

Under Minn. Stat. §16B.98, subd. 8, the Grantee's books, records, documents, and accounting procedures and practices relevant to this grant agreement are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant agreement.

## **12. Government Data Practices and Intellectual Property**

12.1 ***Government Data Practices.*** The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant agreement. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State.

If the Grantee receives a request to release the data referred to in this clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released.

12.2 ***Intellectual Property Rights (if applicable).***

12.2.1. ***Intellectual Property Rights.*** The State owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents *created and paid for under this contract*. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Grantee, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this contract. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Grantee, its employees, agents, or subcontractors, in the performance of this contract. The Documents will be the exclusive property of the State and all such Documents must be immediately returned to the State by the Grantee upon completion or cancellation of this contract. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Grantee assigns all right, title, and interest it may have in the Works and the Documents to the State. The Grantee must, at the request of the State, execute all papers and perform all other acts necessary to transfer or record the State's ownership interest in the Works and Documents.

12.2.2 ***Obligations.***

(A) ***Notification.*** Whenever any invention, improvement, or discovery (whether or not patentable) is

made or conceived for the first time or actually or constructively reduced to practice by the Grantee, including its employees and subcontractors, in the performance of this contract, the Grantee will immediately give the State's Authorized Representative written notice thereof, and must promptly furnish the Authorized Representative with complete information and/or disclosure thereon.

- (B) *Representation.* The Grantee must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the State, and that neither Grantee nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Grantee represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. Notwithstanding Clause 8, the Grantee will indemnify; defend, to the extent permitted by the Attorney General; and hold harmless the State, at the Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Grantee will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee must, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the State will be in addition to and not exclusive of other remedies provided by law.

### **13. Workers' Compensation**

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

### **14. Acknowledgment and Endorsement**

14.1 *Acknowledgment.* The Grantee receiving an appropriation from the fund must acknowledge financial support from the Outdoor Heritage Fund in program publications, signage and other public communication and outreach related to work completed using the appropriation. Acknowledgment may occur, as appropriate, through use of the fund logo or inclusion of language attributing support from the fund. Grantee should also reference Attachment F.

14.2 *Endorsement.* The Grantee must not claim that the State endorses its products or services.

### **15. Governing Law, Jurisdiction, and Venue**

Minnesota law, without regard to its choice-of-law provisions, governs this grant agreement. Venue for all legal proceedings out of this grant agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

### **16. Termination**

The State may cancel this grant agreement at any time, with or without cause, upon 30 days written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

### **17. Data Disclosure**

Under Minn. Stat. § 270C.65, Subd. 3, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

### **18. American Disabilities Act**

The Grantee must comply with the 2010 American Disabilities Act Standards for Accessible Design.



## **19. Reporting Requirements**

The Grantee is bound to reporting requirements in Attachments A and F, as well as Attachments D and E (if applicable).

## **20. Monitoring**

The State shall be allowed at any time to conduct periodic site visits and inspections to ensure work progress in accordance with this grant agreement, including a final inspection upon program completion. At least one monitoring visit per grant period on all state grants of over \$50,000 will be conducted and at least annual monitoring visits on grants of over \$250,000.

Following closure of the program, the State's authorized representatives shall be allowed to conduct post-completion inspections of the site to ensure that the site is being properly operated and maintained and that no conversion of use has occurred.

## **21. Invasive Species Prevention**

The DNR requires active steps to prevent or limit the introduction, establishment, and spread of invasive species during contracted work. The contractor shall prevent invasive species from entering into or spreading within a project site by cleaning equipment prior to arriving at the project site.

If the equipment, vehicles, gear, or clothing arrives at the project site with soil, aggregate material, mulch, vegetation (including seeds) or animals, it shall be cleaned by contractor furnished tool or equipment (brush/broom, compressed air or pressure washer) at the staging area. The contractor shall dispose of material cleaned from equipment and clothing at a location determined by the DNR Contract Administrator.

If the material cannot be disposed of onsite, secure material prior to transport (sealed container, covered truck, or wrap with tarp) and legally dispose of offsite. The contractor shall ensure that all equipment and clothing used for work in infested waters has been adequately decontaminated for invasive species (ex. zebra mussels) prior to being used in non-infested waters. All equipment and clothing including but not limited to waders, tracked vehicles, barges, boats, turbidity curtain, sheet pile, and pumps that comes in contact with any infested waters must be thoroughly decontaminated.

## **22. Pollinator Best Management Practices**

Habitat restorations and enhancements conducted on DNR lands and prairie restorations on state lands or on any lands using state funds are subject to pollinator best management practices and habitat restoration guidelines pursuant to [Minnesota Statutes, section 84.973](#). Practices and guidelines ensure an appropriate diversity of native species to provide habitat for pollinators through the growing season. Current specific practices and guidelines to be followed for contract and grant work can be found here: [Link to December 2014 version \(http://files.dnr.state.mn.us/natural\\_resources/npc/bmp\\_contract\\_language.pdf\)](http://files.dnr.state.mn.us/natural_resources/npc/bmp_contract_language.pdf).

## **23. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions**

- 23.1 The prospective lower tier participant certifies, by submission of this agreement, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- 23.2 Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this agreement.

## **24. Program Requirements**

The grantee must comply with the most current versions of Attachments C, D, and E as attached and incorporated into this grant agreement. The grantee must also comply with Attachment F, Additional Outdoor Heritage Fund Requirements. Attachment F is subject to changes in law and the DNR Authorized Representative will notify Grantee of modifications.

Attachments:

- A. Current Accomplishment Plan with LSOHC Approval Letter
- B. Non-governmental Organization Subcontracting (if applicable)
- C. Conflict of Interest Disclosure
- D. Reimbursement Manual
- E. Land Acquisition Reporting Procedures (if applicable)
- F. Additional Outdoor Heritage Fund Requirements

**1. STATE ENCUMBRANCE VERIFICATION**

*Individual certifies that funds have been encumbered as required by Minn. Statutes 16A.15 and 16B.98.*

Signed: Jamden Bour  
 Date: 8-3-18

**3. STATE AGENCY**

By: \_\_\_\_\_  
(with delegated authority)

Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

SWIFT PO No. 3-138857 / Contract #145749

**2. GRANTEE**

The Grantee certifies that the appropriate person(s) have executed the grant agreement on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Date: \_\_\_\_\_

Distribution:  
 Agency  
 Grantee  
 State's Authorized Representative - Photo Copy



Lessard-Sams Outdoor Heritage Council  
The State of Minnesota

State Office Building, Room G95 100 Dr. Rev. Martin Luther King Jr. Blvd. Saint Paul, Minnesota 55155

DATE: July 9, 2018  
TO: ML 2018 Program Managers  
FROM: Mark Johnson  
RE: **Approval of Accomplishment Plans for ML 2018, Ch. 208, Art. 1, Sec. 2**

The Lessard-Sams Outdoor Heritage Council met on June 28, 2018 and reviewed the attached accomplishment plans for appropriations in Minnesota Laws of 2018, Chapter 208, Article 1, Section 2. You are approved to receive reimbursement for expenses incurred beginning July 1, 2018. Money appropriated may not be spent on activities, indirect costs or other institutional overhead, unless directly related to and necessary for a specific appropriation and specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Appropriations are also subject to the requirements of MS 97A.056.

Unless otherwise provided, the amounts in this section are available until June 30, 2021, when projects must be completed and final accomplishments reported. For acquisitions of real property, the amounts in this section are available until June 30, 2022, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2021, and closed no later than June 30, 2022. Funds for restoration or enhancement are available until June 30, 2023, or five years after acquisition, whichever is later, in order to complete initial restoration or enhancement work. If a program receives at least 15% of funding from federal funds, the time period of the appropriation may be extended to equal the availability of the federal funding to a maximum of six years, provided the federal funding was confirmed and included within the *first draft accomplishment plan*. Money appropriated for fee acquisition of land may be used to restore, enhance and provide public use of the land acquired with the appropriation. Public use facilities must have minimum impact to habitat on acquired lands.

Continued eligibility to receive reimbursements is contingent on timely completion of and submission to the Council of semi-annual status updates and the final report in a form determined by the Council.

I wish you success in implementing your program.

A handwritten signature in blue ink, appearing to read "Mark W. Johnson".

Mark W. Johnson  
Executive Director, Lessard-Sams Outdoor Heritage Council

CC: Bob Anderson, Chair, Lessard-Sams Outdoor Heritage Council  
Sean Fahnhorst, Minnesota Management and Budget  
Katherine Sherman-Hoehn, Minnesota Department of Natural Resources

# Lessard-Sams Outdoor Heritage Council

## Laws of Minnesota 2018 Accomplishment Plan



**Date:** June 28, 2018

**Program or Project Title:** Six Mile Creek-Halsted Bay Habitat Restoration Phase I

**Funds Recommended:** \$ 567,000

**Manager's Name:** Anna Brown

**Title:** Planner-Project Manager

**Organization:** Minnehaha Creek Watershed District

**Address:** 15320 Minnetonka Blvd

**City:** Minnetonka, MN 55345

**Office Number:** 952-641-4522

**Mobile Number:** 603-252-7497

**Email:** abrown@minnehahacreek.org

**Website:** minnehahacreek.org

**Legislative Citation:** ML 2018, Ch. 208, Art. 1, Sec. 2, subd 5(p)

**Appropriation Language:** \$567,000 the second year is to the commissioner of natural resources for an agreement with the Minnehaha Creek Watershed District to restore and enhance fish habitat in the Six Mile Creek - Halsted Bay subwatershed. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

**County Locations:** Carver, and Hennepin.

**Regions in which work will take place:**

- Metro / Urban

**Activity types:**

- Restore

**Priority resources addressed by activity:**

- Habitat

### Abstract:

Over the next ten years, the Minnehaha Creek Watershed District (MCWD) and its Partners will engage in one of the Metro's largest habitat restoration and water quality enhancement projects, restoring 2,488 acres of in-lake habitat across 14 connected deep and shallow lakes and creating contiguous corridors of restored wetland and uplands in the Six Mile-Halsted Bay Subwatershed (SMCHB), one of the largest tributaries to Lake Minnetonka. Through one of the most ambitious Common Carp management efforts in the state, the program will improve fisheries and benefit waterfowl and non-game bird communities, improving recreation for fisherman, hunters and bird-watchers.

### Design and scope of work:

The Six Mile Creek-Halsted Bay (SMCHB) subwatershed is a 27 square mile geography in the western metro spanning Carver and Hennepin Counties. The subwatershed includes 14 deep and shallow lakes, totaling 2,488 acres, and over 2,900 acres of wetlands. Carver Park Reserve is situated entirely within this subwatershed, providing 5,700 acres of permanently protected open water, wetland, forest, and prairie habitat. Much of the subwatershed is designated as DNR Regionally Significant Ecological Area. The complex of deep and shallow lakes and wetlands are connected through a 12 mile stream system that drains to Halsted Bay, the most impaired water body on Lake Minnetonka - the most heavily used recreation lake in the State.

Habitat for fish, birds and waterfowl has been degraded through much of this system, the results of overabundant common carp and historic agricultural land use, with users reporting decreased fishing success in Halsted Bay. Restoring this system is a priority for the District and its partners within the region (Cities of Victoria, St. Bonifacius, Minnetrista, and Waconia, Laketown Township, Carver and Hennepin Counties, and Three Rivers Park District). Together, this group is committed to aligning priorities and investments across agencies to accomplish large scale habitat, corridor, and water resource restoration objectives over the next 10-15 years.

Habitat improvements throughout this system will principally involve restoration of lake and marsh habitats through management of common carp, and the restoration of wetland and contiguous uplands to enhance and connect natural resource corridors.

The Common Carp management approach for SMCHB was developed based on a three-year, half-million dollar District investment with the University of Minnesota AIS Research Center from 2014-2017, which provided a cutting-edge scientific assessment of common carp populations, reproduction and migratory patterns in the geography. This assessment revealed some of the largest carp population densities ever observed by the center. Proposed Common Carp management includes:

- Aerating 6 shallow marsh areas known to winterkill, to promote bluegill sunfish survivability and prevent carp recruitment.
- Physical barriers at 4 locations to block carp from accessing spawning areas. The barrier between Mud and Halsted will also trap carp for removal.
- Install a water control structure and barrier between two shallow lake systems to have the ability to block carp passage and manipulate water levels to eliminate carp recruitment and maintain healthy shallow lake systems.
- Remove adult carp through winter or open water seining, box-net trapping, and removing carp in stream channels.

This carp management approach will result in 2,488 acres of restored deep and shallow lakes, of which 66% is littoral habitat. Carp control will allow for the restoration of invertebrate and aquatic plant communities to the benefit of gamefish such as Bass, panfish and northern pike communities, as well as non-game fish and waterfowl, providing hunters and fisherman better opportunities to enjoy the region's outdoor heritage.

## **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:**

This habitat restoration project will have benefits across the entire trophic chain. As carp populations are reduced, we will see restoration of aquatic vegetation, macroinvertebrates, and water quality, restoring food and habitat for numerous species of fish and wildlife, and in turn, restoring populations of these species.

In particular, carp management will allow shallow lakes to shift to a new, healthier alternative stable state. Much of the subwatershed's littoral area is currently turbid and algae-dominated. However, with fewer carp uprooting vegetation and suspending nutrients, littoral waters can return to clear-water states dominated by submerged aquatic vegetation. Evidence suggests that this alternative stable state positively impacts the food web on many levels. Higher abundance and diversity of aquatic vegetation is related to higher abundance, diversity and growth rates of fish and waterfowl, because vegetation provides better refuge and spawning habitat. These factors, combined with reduced competition for macroinvertebrates and other food, explain why carp management can have indirect effects on many species.

Over 20 species of waterfowl that either breed or migrate through the area will benefit from this restoration. The area contains over 75 species of birds, has over 15 MCBS Sites of Biodiversity significance, and the lakes support over 20 species of fish. These restoration benefits are endorsed by the Minnesota Waterfowl Association and the US Fish and Wildlife Service. Specific species that will benefit include:

Harvested waterfowl: Mallards, Wood ducks, Ring-necked ducks, Blue-winged teals, Canada Goose, Trumpeter Swan, Tundra Swan, American Black Duck, Northern Shoveler, Ring-necked duck, Bufflehead, Common Goldeneye, Hooded Merganser, Common Merganser, Common Loon, Pied-billed Grebe, Pelicans, Great Blue Heron, Great Egret, Green Heron, and Lesser scaup.

Game and non-game fish: Largemouth bass, northern pike, walleye, muskellunge, yellow perch, bluegill, pumpkinseed, shiners, Iowa darter, brook silverside, johnny darter, minnows, white sucker, and black and white crappie.

Water-birds listed on the Minnesota DNR Species in Greatest Conservation Need: Northern pintail, American black duck, Lesser scaup, Trumpeter swan, Common loon, Western grebe, Horned grebe, Red-necked grebe, Eared grebe, Night heron, Franklin's gull, American white pelican, Upland sandpiper, White-rumped sandpiper, Semipalmated sandpiper, and Buff-breasted sandpiper.

## **Describe the science based planning and evaluation model used:**

This program to manage common carp in SMCHB would be the largest, most robust carp management efforts ever conducted in the

state. The foundation for this program is a three-year assessment conducted in partnership with the University of Minnesota AIS Research Center which evaluated carp abundance, recruitment patterns, and seasonal movement patterns in SMCHB. This pioneering work and the resulting data, completed in 2017, has allowed the District to develop a well-timed, and targeted management approach with quantifiable goals.

SMCHB is an incredibly rich ecological system that has seen declining conditions due to over-abundant carp, and land use patterns that have substantially altered the hydrology, nutrient cycling, and ecology of the 2,900 acres of wetland, and its 14 lakes.

SMCHB subwatershed has 5,165 acres of nearly contiguous DNR-designated Regionally Significant Ecological Area that spans the watershed and 15 Minnesota Biological Survey Sites of Biodiversity significance. The 5,700 acre Carver Park Preserve provides habitat for over 75 species of birds and seven species of waterfowl nest in the area that would benefit from enhanced foraging activities once the carp population declines. The Subwatershed lies within the Mississippi flyway, a critical corridor for migratory waterfowl. SMCHB provides all this ecological benefit and value within 25 miles of downtown Minneapolis, making its restoration of preservation that much more critical to support the overall ecological value with the metro region and provide habitat for species negatively impacted by urbanization.

The carp management program leverages restoration work completed by the District and additional restoration to come in subsequent phases of the SMCHB habitat restoration. In 2013 MCWD restored 209 acres of prairie adjacent to Six Mile Marsh within a regionally significant ecological corridor. MCWD is currently restoring a 20 acre wetland complex situated between two MBS sites of biodiversity significance that will enhance the vegetative diversity of the site, providing improved habitat in an area of rapid urbanization. MCWD will continue to strategically implement targeted restorations like these to enhance the impact of the in-lake management approach.

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

- H4 Restore and protect shallow 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
- Managing Minnesota's Shallow Lakes for Waterfowl and Wildlife

### **Which LSOHC section priorities are addressed in this program:**

#### **Metro / Urban:**

- Protect, enhance, and restore riparian and littoral habitats on lakes to benefit game and nongame fish species

### **Relationship to other funds:**

- Environmental and Natural Resource Trust Fund
- Clean Water Fund

#### **Describe the relationship of the funds:**

MCWD has historically been successful leveraging Clean Water Funds for the implementation of water quality implementation projects. However, the targeted benefits of the broader SMCHB restoration strategy are not limited to only to water quality improvement. While Clean Water Funds can be leveraged for implementation elements that will enhance the overall restoration impact, this management program specifically targets habitat restoration that would not typically be funded by the Clean Water Fund.

MCWD intends to seek funding from the Environmental and Natural Resource Trust Fund for future phases of this restoration strategy, potentially including the wetland restoration program phase.

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

MCWD just completed a half-million dollar investment with the University of Minnesota to provide a scientific assessment of common carp in this geography. Those funds were all provided by the District's local levy. Additionally, the District will invest in the necessary monitoring equipment to implement this project, and maintain the project long-term. District will provide in-kind staff time during the duration of the project to complete most tasks, reducing funds needed from OHF .



Carp management is part of a larger strategy to restore aquatic and terrestrial habitat, create protected and enhanced wetland and upland corridors, and address historic legacy of development and farming practices on SMCHB water resources. The District has conducted several strategic implementation activities to meet these goals including a 209 acre prairie restoration adjacent to Six Mile Creek and a 20 acre wetland restoration between two MCBS designates sites of biodiversity significance.

Several of the longer term restoration strategies including subsequent phases of in-lake restoration and management of flow-throw wetlands are dependent upon carp management being complete, at which time the district will seek to leverage additional State and Regional funding sources as well as continue to implement using levy and local match.

**Per MS 97A.056, Subd. 24, Any state agency or organization requesting a direct appropriation from the OHF must inform the LSOHC at the time of the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose:**

It is not.

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

Appropriation Year	Source	Amount
2014-2015	MCWD Tax Levy	181,386
2015-2016	MCWD Tax Levy	165,649
2016-2017	MCWD Tax Levy	186,355

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

The Minnehaha Creek Watershed District (MCWD) is a permanent governmental entity created by state statute and operates under a series of 10-year plans that are approved by MNBWSR. SMCHB is an established priority of the next 10-year plan, which will include an extensive investment strategy to implement carp management and subsequent phases of the habitat restoration program.

The MCWD relies on multiple funding sources including a local levy as well as public and private partnerships, including LSOHC. The District has the commitment and funding sources necessary to maintain existing and future natural resource enhancement projects.

MCWD is committed to utilizing its staff and expertise to maintain the results of this aggressive management approach into perpetuity. The District operates an Aquatic Invasive Species Program, whose top priority is to manage high impact AIS, such as common carp, in prioritized geographies of the District. MCWD will monitor the system post-project to identify and respond to any unanticipated recruitment events.

MCWD has a robust operations and maintenance program for its physical infrastructure and the maintenance of the aeration and barrier facilities will be rolled into that program, except where another agency has agreed to maintain infrastructure within their jurisdiction.

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

Year	Source of Funds	Step 1	Step 2	Step 3
2021 and beyond	MCWD Tax Levy	Maintain aeration units and barriers	Monitor for carp recruitment and gather carp population estimates	engage in carp removal if carp recruitment occurs or if populations exceed 100 kg/ha

**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)**

## Accomplishment Timeline:

Activity	Approximate Date Completed
Run electric for aeration units	September 2018
Install aeration units	November 2018
Install permeable berm at outlet of Crown College Pond	September 2018
Install weir and stilling well between North and South Lundsten	September 2019
Replace barrier at Zumbra outlet	September 2018
Install barrier/fish-trap between Mud Lake and Halsted Bay	September 2018
Install barrier at Wassermann outlet	September 2018
Box-net trapping	June 2021
Winter/open-water seining	March 2021
Carp trapping in stream channels	June 2021
Evaluation and effectiveness monitoring	Ongoing - MCWD

**Date of Final Report Submission:** 11/1/2023

## Federal Funding:

Do you anticipate federal funds as a match for this program - **No**

## Outcomes:

### Programs in metropolitan urbanizing region:

- Improved aquatic habitat indicators *2,488 acres of habitat for fish and wildlife will be restored across 14 connected lakes. Aquatic vegetation will be restored, providing improved conditions that will benefit fish and waterfowl. The macroinvertebrate community will rebound, restoring the food source for waterfowl and many fish species. Evaluating changes in the aquatic plant community will occur by using the DNR's FQI, among other metrics. Fish and macroinvertebrate communities are predicted to improve based on increases in aquatic vegetation. The DNR's Fish IBI will be completed after carp management goals have been met, and can be compared to previously collected data.*



# 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

Both increasing match and decreasing budget. Primary changes (>\$10K):

- MCWD will purchase aeration units (\$22,000)
- Reduced funding for carp removal will require increased efficiency of seining (\$96,000 reduction)
- All other supplies/maintenance shifted to District (\$60,000)
- Elimination of annual rapid response fund (\$40,000)

**Total Amount of Request: \$ 567000**

## Budget and Cash Leverage

BudgetName	LSOHC Request	Anticipated Leverage	Leverage Source	Total
Personnel	\$0	\$269,400	MCWD Levy, MCWD Levy, MCWD Levy, USFWS	\$269,400
Contracts	\$424,000	\$3,000	MCWD Levy	\$427,000
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	\$0	\$6,000	MCWD Levy	\$6,000
Direct Support Services	\$0	\$0		\$0
DNR Land Acquisition Costs	\$0	\$0		\$0
Capital Equipment	\$143,000	\$22,000	MCWD Levy	\$165,000
Other Equipment/Tools	\$0	\$93,800	MCWD Levy	\$93,800
Supplies/Materials	\$0	\$50,000	MCWD Levy	\$50,000
DNR IDP	\$0	\$0		\$0
<b>Total</b>	<b>\$567,000</b>	<b>\$444,200</b>		<b>\$1,011,200</b>

## Personnel

Position	FTE	Over # of years	LSOHC Request	Anticipated Leverage	Leverage Source	Total
MCWD Position 1	0.60	4.00	\$0	\$151,900	MCWD Levy	\$151,900
MCWD Position 2	0.50	4.00	\$0	\$72,200	MCWD Levy	\$72,200
MCWD Position 3	0.30	4.00	\$0	\$43,300	MCWD Levy	\$43,300
USFWS technical assistance	0.00	1.00	\$0	\$2,000	USFWS	\$2,000
<b>Total</b>	<b>1.40</b>	<b>13.00</b>	<b>\$0</b>	<b>\$269,400</b>		<b>\$269,400</b>

## Capital Equipment

Item Name	LSOHC Request	Anticipated Leverage	Leverage Source	Total
Permeable Berm (Crown College Pond)	\$20,000	\$0		\$20,000
Fish Barrier/Fish Trap (Mud to Halsted Bay)	\$75,000	\$0		\$75,000
Stilling Well and Weir (North and South Lundsten)	\$30,000	\$0		\$30,000
Semi-Permanent Barrier (Wassermann)	\$18,000	\$0		\$18,000
Aeration Units	\$0	\$22,000	MCWD Levy	\$22,000
<b>Total</b>	<b>\$143,000</b>	<b>\$22,000</b>		<b>\$165,000</b>

Amount of Request: \$567,000

Amount of Leverage: \$444,200

Leverage as a percent of the Request: 78.34%

DSS + Personnel: \$0

As a % of the total request: 0.00%

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

The contract line amount going directly to R/E work is the amount dedicated to contracts for carp removal, which totals \$324,000, or 76% of the total request for contract services.

**Describe and explain leverage source and confirmation of funds:**

The leverage will be primarily met through the District's ad valorem tax levy. All equipment costs will be leverage in Year 1 and be available in 2018. The personnel costs will use existing full time staff positions, so additional board approvals are not required.

## Output Tables

**Table 1a. Acres by Resource Type**

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	0	0	0	2,488	2,488
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	0	0
Total	0	0	0	2,488	2,488

**Table 2. Total Funding by Resource Type**

Type	Wetlands	Prairies	Forest	Habitats	Total
Restore	\$0	\$0	\$0	\$567,000	\$567,000
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	\$0	\$0
Total	\$0	\$0	\$0	\$567,000	\$567,000

**Table 3. Acres within each Ecological Section**

Type	Metro Urban	ForestPrairie	SE Forest	Prairie	N Forest	Total
Restore	2,488	0	0	0	0	2,488
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	0	0
Total	2,488	0	0	0	0	2,488

**Table 4. Total Funding within each Ecological Section**

Type	Metro Urban	ForestPrairie	SE Forest	Prairie	N Forest	Total
Restore	\$567,000	\$0	\$0	\$0	\$0	\$567,000
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	\$0	\$0
Total	\$567,000	\$0	\$0	\$0	\$0	\$567,000

**Table 5. Average Cost per Acre by Resource Type**

Type	Wetlands	Prairies	Forest	Habitats
Restore	\$0	\$0	\$0	\$228
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	\$0

**Table 6. Average Cost per Acre by Ecological Section**

Type	Metro/Urban	Forest/Prairie	SE Forest	Prairie	Northern Forest
Restore	\$228	\$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	\$0	\$0

**Target Lake/Stream/River Feet or Miles**

3.89 square miles

## 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

Carver

Name	TRDS	Acres	Est Cost	Existing Protection?
10	11624203	0	\$0	
11	11624204	0	\$0	
12	11624201	0	\$0	
13	11624207	0	\$0	
14	11624208	0	\$0	
15	11624211	0	\$0	
16	11624212	0	\$0	
17	11624209	0	\$0	
18	11624210	0	\$0	
19	11624213	0	\$0	
20	11624216	0	\$0	
21	11624215	0	\$0	
22	11624214	0	\$0	
23	11624217	0	\$0	
24	11624221	0	\$0	
25	11624223	0	\$0	
26	11624222	0	\$0	
27	11624226	0	\$0	
28	11624227	0	\$0	
29	11624228	0	\$0	
7	11624206	0	\$0	
8	11624205	0	\$0	
9	11624202	0	\$0	

Hennepin

Name	TRDS	Acres	Est Cost	Existing Protection?
1	11724228	0	\$0	
2	11724227	0	\$0	
3	11724234	0	\$0	
4	11724233	0	\$0	
5	11724232	0	\$0	
6	11724235	0	\$0	

### Section 2 - Protect Parcel List

No parcels with an activity type protect.

### Section 2a - Protect Parcel with Bldgs

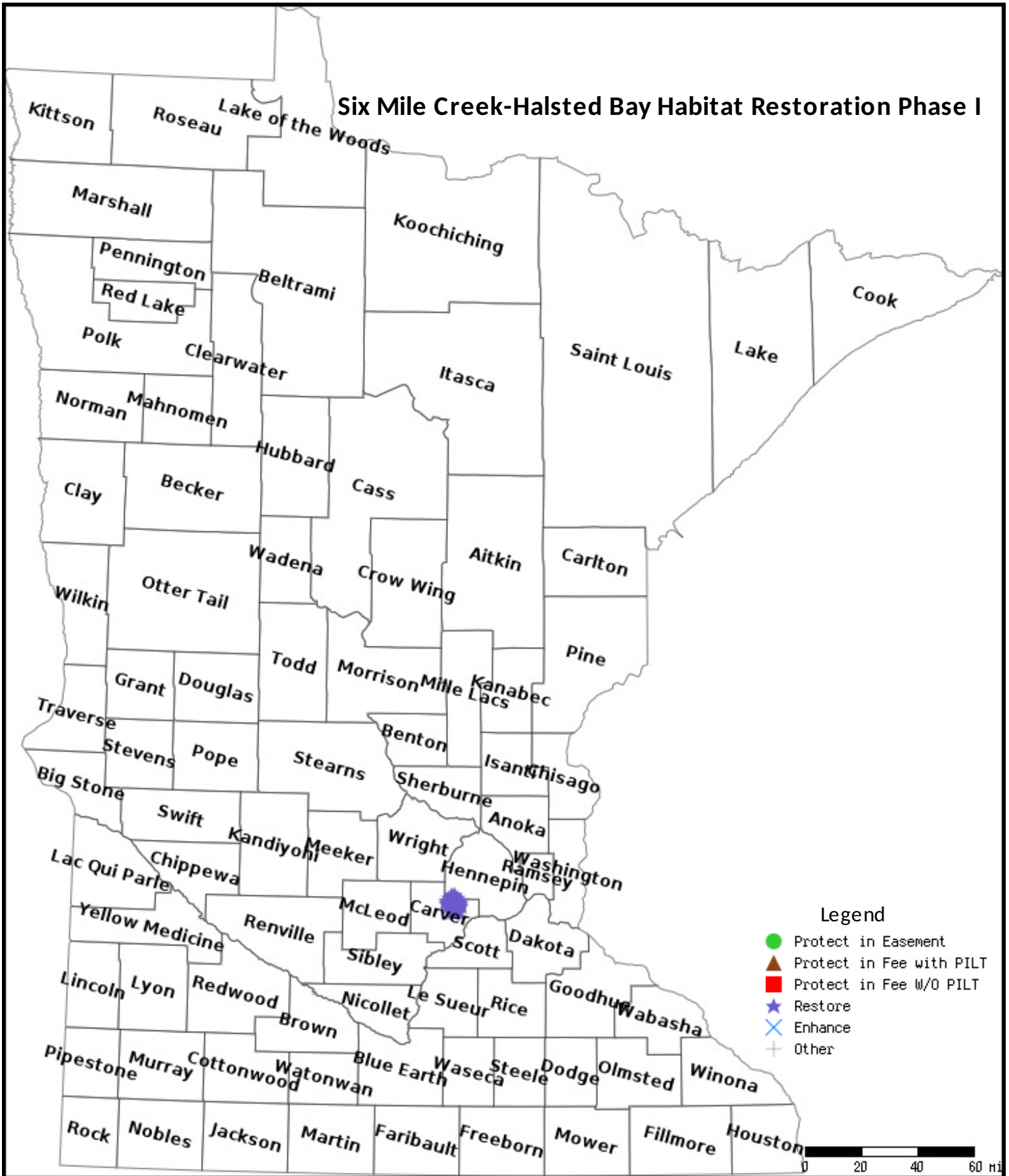
No parcels with an activity type protect and has buildings.

### Section 3 - Other Parcel Activity

No parcels with an other activity type.

# Parcel Map

## Six Mile Creek-Halsted Bay Habitat Restoration Phase I



Data Generated From Parcel List



## ENRTF/OHF Pass-Through Grant Agreement Attachment C: Conflict of Interest Disclosure

### **Conflict of Interest:**

As referenced in the Minnesota Department of Administrations Office of Grants Management's Policy 08-01, a conflict of interest, actual, potential, or perceived, occurs when a person has actual or apparent duty or loyalty to more than one organization and the competing duties or loyalties may result in actions which are adverse to one or both parties. A conflict of interest exists even if no unethical, improper or illegal act results from it.

### **Actual Conflict of Interest:**

An actual conflict of interest occurs when a decision or action would compromise a duty to a party without taking immediate appropriate action to eliminate the conflict. Examples included but not limited to:

- One party uses his or her position to obtain special advantage, benefit, or access to the other party's time, services, facilities, equipment, supplies, badge, uniform, prestige, or influence.
- One party receives or accepts money (or anything else of value) from another party or has equity or a financial interest in or partial or whole ownership of the other party's organization.
- One party is an employee, board member or family member of the other party.

### **Potential Conflict of Interest:**

A potential conflict of interest may exist if one party has a relationship, affiliation, or other interest that could create an inappropriate influence if the person is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations, or interests. Examples included but not limited to:

- One party has a relationship, affiliation, or other interest that could create an inappropriate influence if one party is called on to make a decision or recommendation that would affect one or more of those relationships, affiliations, or interests. For example, when one party serves in a volunteer capacity for another party, it has the potential to, but does not necessarily create a conflict of interest, depending on the nature of the relationship between the two parties.

A disclosed potential conflict of interest warrants additional discussion in order to identify the nature of the relationship, affiliation, or other interest and take action to mitigate any potential conflicts.

### **Perceived Conflict of Interest:**

A perceived conflict of interest is any situation in which a reasonable third party would conclude that conflicting duties or loyalties exist.

A disclosed perceived conflict of interest warrants additional discussion in order to identify the nature of the relationship, affiliation, or other interest and take action to mitigate any potential conflicts. Individual Conflict of Interest:

A conflict of interest that may benefit an individual employee where actions or non-action could be interpreted to be influenced by something that would benefit them directly or through indirect gain to a friend, relative, acquaintance or business or organization with which they are involved.

- A employee uses his/her status or position to obtain special advantage, benefit, or access to the

grantee or grant applicant's time, services, facilities, equipment, supplies, badge, uniform, prestige, or influence

**Organizational Conflict of Interest:**

A conflict of interest can also occur with an organization that is a grant applicant or grantee of a state agency. Organizational conflicts of interest occur when:

- A grantee is unable or potentially unable to render impartial assistance or advice to the State due to competing duties or loyalties
- A grantee's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties
- A grantee creates an unfair competitive advantage in hiring for professional services or purchasing supplies or equipment by furnishing unauthorized proprietary information or source selection information that is not available to all competitors and create a path to one or a few.

**This section to be completed by Grantee's Authorized Representative:**

I certify that we will maintain an adequate Conflict of Interest Policy, and throughout the term of our agreement will report any actual, potential and perceived conflicts of interests by individual employees or are organization as a whole to the State's Authorized Representative.

Organization Name: \_\_\_\_\_

Project Name: \_\_\_\_\_

Legal Citation: ML\_\_\_\_\_, Chapter\_\_\_\_\_, Article\_\_\_\_\_, Section, Subdivision \_\_\_\_\_

Authorized Representative Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date\_\_\_\_\_



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# Pass-Through Grants Reimbursement Manual

Environment and Natural Resources Trust Fund (ENRTF)  
Outdoor Heritage Fund (OHF)  
Fiscal Year 2019 (July 1, 2018- June 30, 2019)

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## Introduction

The Grants Unit within the DNR OMBS provides contract management services related to ENRTF and OHF pass-through grant projects. Contract management ensures oversight of reimbursement for project deliverables and meets the requirements of all state laws and policies including the Department of Administration's Office of Grants Management (OGM) procedures. Contract management aids recipients with financial compliance and ensures project consistency with appropriation law, state statute, grants policies, and approved work/accomplishment plans.

The grantee is responsible for establishing and maintaining adequate financial internal control systems that follow generally accepted accounting and auditing principles. Grantees must establish a separate, non-interest bearing account for ENRTF/OHF funds. Any accounting issues not addressed in this manual are subject to state agency standards as interpreted by their internal auditors. All projects are subject to final audit.

OGM [Policy Number 08-10](#) requires one monitoring visit during the course of the grant period on projects valued at over \$50,000. All projects valued at over \$250,000 require annual monitoring visits. Monitoring will take place either at the grantee's office location, the DNR Central Office, or via phone. Grantees will be given adequate notice prior to monitoring. The focus of the visit will be financial and grants management and associated documentation and procedures.

This manual was developed to help grantees administer their pass-through appropriation(s) and to provide instruction on how to obtain reimbursements for eligible project expenses. However, it will not be able to address all issues and potential problems that may arise during the completion of the project. **For questions regarding the grant agreement and amendments or reimbursement requests, please contact the State's Authorized Representative or your assigned Grants Specialist.** Contact information is in section G of this manual; it can also be found in the contract agreement and on the DNR pass-through grants [website](#).

For questions regarding your ENRTF work plan, please contact Legislative-Citizen Commission on Minnesota Resources (LCCMR) staff.

For questions regarding your OHF accomplishment plan, please contact Lessard-Sams Outdoor Heritage Council (LSOHC) staff.

## State Accounting System (SWIFT) Requirements

The DNR processes project reimbursement payments through a system managed by Minnesota Management and Budget (MMB). The preferred method of payment is through the use of an electronic funds transfer (EFT) directly into the grantee's designated bank account. Electronic transfer reimbursements provide timely payments and prevent the loss of checks either in the mail or by misdirection. In order to set up the electronic transfer payment process, please contact MMB at 651-201-8106.

The grantee will also need to request a User ID to access the SWIFT e-Supplier portal to view payment information:

Go to [Swift e-Supplier Portal](http://supplier.swift.state.mn.us) (<http://supplier.swift.state.mn.us>)

At the Supplier Portal - leave the User ID and Password boxes blank

Click on the 'Vendor Registration Link'

Enter Vendor Name, Tax Identification Number (TIN) Type & Federal Tax ID and click next

Enter SWIFT Vendor ID and click 'find' (to find the SWIFT Vendor ID - go to <http://www.swift.state.mn.us/vendors> and enter the vendor number)

If a user ID exists it will be displayed

Click on the 'Create new user' button and follow the steps to create a new user password

An email will be sent with the new User ID and password.

Questions regarding this process can be sent to [efthelpline.mmb@state.mn.us](mailto:efthelpline.mmb@state.mn.us).

# Project Reimbursement

*Pass-through grants are reimbursement based.* The grantee must pay for project expenses prior to seeking reimbursement. Eligible expenses are then reimbursed, under the terms of the agreement with the State of Minnesota.

The DNR will only provide advance payment with prior approval as outlined in session law and the grantee's agreement. LCCMR and/or LSOHC will also need to approve all advances for the project through the work/accomplishment plan. This does not apply to land acquisitions, where the Grants Unit can transfer funds to the grantee one business day prior to the closing date through an EFT. *All pre-closing documentation must be submitted at least ten business days in advance of the closing date in order to allow the Grants Unit to review the paperwork, notify the grantee of any missing or incomplete land acquisition documentation, and process the request.*

Grantees should expect to be reimbursed within 30 days of the DNR receiving the complete reimbursement request. The 30-day timeframe begins when a full reimbursement request is received by the DNR. If there is documentation missing, the 30-day clock does not start until that documentation is submitted to the DNR. The 30-day timeframe does not apply to reimbursement requests that are not submitted on at least a quarterly basis.

The final reimbursement will be paid out when the State determines that the Grantee has satisfactorily fulfilled all the terms of their grant agreement, unless otherwise excluded by the State in writing. The final report must be approved by the LCCMR or the LSOHC prior to payment of the final reimbursement request unless the grantee receives prior approval from the DNR in coordination with LCCMR/LSOHC staff to waive that requirement.

## Reimbursement Payment Request Documents to Be Submitted

The reimbursement request is comprised of four sections. A checklist is provided on page ten. Sample forms follow the checklist.

### Section 1: Project Reimbursement Payment Request Form

This form must be completed and signed by an individual who is authorized by the organization to submit Reimbursement Payment Requests. It is required for all payment requests including land or conservation easement acquisitions.

### Section 2: Reimbursement Spreadsheet

The Reimbursement Spreadsheet provides information on the starting budget amounts, the current requested reimbursement amount, and the remaining balance of funds available. List the same line items (categories) from the approved work /accomplishment plan budget. Only approved budget items (expenses) will be eligible for reimbursement. Please note the [guidance on allowable expenses documents](#) (provided by LCCMR and the [budget line item definitions](#) provided by LSOHC). The grantee should use the ENRTF spreadsheet for all LCCMR projects and the OHF spreadsheet for all LSOHC projects.

### Section 3: Project Activity Summary Spreadsheet

The Project Activity Summary Spreadsheet provides a detailed summary of all requested reimbursement items. The spreadsheet highlights the transaction date, description of the charges, the amount requested, and the approved budget categories that each charge is applied to. This document aids both the grantee and the State to more clearly tie all applicable charges together when a reimbursement request is submitted for payment.

## Section 4: Reimbursement Documentation

Project expenses for reimbursement must be documented with receipts, invoices, and time (payroll) records. This information is required to determine the eligibility of the expenses and to ensure expenses were made within the period eligible for reimbursement. Specific documentation is required for land acquisitions. Please see your grant agreement to view your land acquisition reporting requirements.

All invoices must explicitly state the date(s) that the services were performed and that date must fall within the period eligible for reimbursement. The following information must be added to (or written on) the copies of receipts, invoices, time records or other documentation:

- Activity # the expense is being posted to (Environment and Natural Resources Trust Fund only).
- Budget item the expense is being posted to such as personnel, equipment, travel, etc.
- If the documentation has expenses for more than one activity and/or budget item, mark which elements of the documentation are posted to the activity and budget item.
- If the documentation has non-project expenses on it, be sure to circle the expenses being posted to the project along with the activity and budget item.
- Check number or payment number that was used to pay for the receipt, invoice, or payroll. This number should match up with payment documentation such as a bank statement or other proof of payment.
- All employees working on a project should track number of hours worked on the project. Timesheet elements include the period worked (date range of work performed), name of the employee, rate of pay, hours worked, and benefit rate. The original time records must be available for review if requested. All vacation (paid time off), sick, and holiday benefits are eligible for reimbursement on a proportional level. Please contact your assigned Grants Specialist for more information.

Please send one copy of the reimbursement request to your designated Grants Specialist via mail or e-mail.

Please note that if work/accomplishment plan updates or progress reports are past due, the DNR may withhold reimbursement payments for that project until the grantee is in compliance.

### Documents to Be Kept on File

The grantee must maintain the below records along with all project agreements and correspondence in a separate project file. Project records are required for monitoring/audit purposes and must be readily available for review.

**Please note:** All records related to the project must be retained for a minimum of six (6) years following the end of the grant agreement.

### Proof of Payment

The State requires proof of payment documentation to ensure that funds are being provided on a reimbursement basis.

It is the grantee's responsibility to maintain proof of payment documentation and make it available when requested by the State. Proof of payment documentation may include: 1) a copy of a bank statement with small photocopies of cleared checks, 2) an electronic bank statement, 3) a copy of cancelled check(s), or other certified financial records, 4) employee original time records and payroll documentation.

The State may conduct a proof of payment review during grant monitoring or for any reimbursement request submitted by the grantee throughout the grant period if necessary. No additional reimbursement requests for that project will be processed until the proof of payment for the request being reviewed is submitted and approved.

## Vendors and Subcontractors

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 contracting/purchasing procedures. Municipalities as defined in Minnesota statute 471.345, subdivision 1 must follow the Uniform Municipal Contracting Law. Non-governmental organizations may submit a copy of their contracting policies for review to the State's Authorized Representative or follow the contracting policies/procedures below.

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. The following guidelines should be used:

- A. Grantee shall 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. *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.*
- B. Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- C. 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.
- D. 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 or bids or awarded to a targeted vendor.
- E. The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through the entities below when possible. Please contact your grant specialist for assistance the first time you go through this process:
  1. [State Department of Administration's Certified Targeted Group, Economically Disadvantaged and Veteran-Owned Vendor List](#)
  2. Metropolitan Council's Targeted Vendor list: [Minnesota Unified Certification Program](#)
  3. Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: [Central Certification Program](#)
- F. The grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.
- G. The grantee must maintain support documentation of the purchasing and/or bidding process utilized to contract services in their financial records, including support documentation justifying a single/sole source bid, if applicable.

Notwithstanding (a) - (d) above, the State may waive bidding process requirements when it is determined there is only one legitimate or practical source for such materials or services and that grantee has established a fair and reasonable price.

Support documentation of the bidding process utilized to contract services must be included in the grantee's financial records, including support documentation justifying a single/sole source bid, if applicable.

For projects that include construction work of \$25,000 or more, prevailing wage rules apply per [Minnesota Statute 177.41](#) through [177.44](#). Consequently, the bid request must state the project is subject to prevailing wage. These rules require that the wages of laborers and workers should be comparable to wages paid for similar work in the community as a whole. A prevailing wage form should accompany these bid submittals.

Grantees must use a Request for Proposal (RFP)/Request for Quote (RFQ) process to competitively select professional and technical services.

The advertisement for bid processes must allow for fair competition among potential qualified bidders.

Grantee must not contract with vendors/subcontractors who are on the on [State's debarment list](#)

(<http://www.mmd.admin.state.mn.us/debarredreport.asp>)

It is the policy of the State of Minnesota ([Policy 08-07: Single and Sole Source Grants](#)) that grants are to be competitively awarded as much as possible. Single and sole source grants are to be used when only one entity is reasonably able to meet a grant's intended purpose and objectives, due to their geographic location, specialized knowledge, relationships or specialized equipment.

The following form must be completed: [Grant Single Source Justification Form](#). The Grantee should send in the original to the State's Authorized Representative for signature and approval. If approved, the Grantee must keep the executed copy on file.

## Equipment

Records for grantee-owned equipment used on a project must include the time actually used for the project and the computation used to arrive at the charged use rate. Use rates are subject to review by DNR.

Capital equipment purchased with grant funds should be listed in the approved work/accomplishment plan, tagged, maintained in an up-to-date directory, and available for review.

## Land Acquisition Requirements

Any project that is subject to the land acquisition reporting requirements of Attachment E will be held to the most current version of Attachment E. The Grants Unit can transfer funds to the grantee one business day prior to the closing date through an EFT. All pre-closing documentation must be submitted at least ten business days in advance of the closing date in order to allow the Grants Unit to review the paperwork, notify the grantee of any missing or incomplete land acquisition documentation, and process the request.

For all acquisitions that require DNR services, the grantee must submit a Use of Funds letter as outlined in their grant agreement to pay for the DNR's services. Funding must be available in the "DNR Land Acquisition Costs" (OHF) or the "Other DNR acquisition, reporting, and management" (ENRTF) budget line item in the approved work/accomplishment plan to pay for these costs.

Please see Attachment E of your grant agreement for step-by-step land acquisition procedures and requirements.

## Materials and Services

Materials and services purchased by the grantee to achieve outcomes/activities stated in the work/accomplishment plan and reflected in the approved budget are eligible project expenditures. Typical examples of material/service purchases include hardware, paint, lumber, sand/gravel, concrete, landscape materials, and signs.

An invoice must be obtained from the vendor to provide evidence of the sale/service whenever the grantee purchases materials or services. The invoice and the copy sent in with the reimbursement request must be legible and include the following items:

- Name and address of the vendor;
- Date the item or service was purchased;
- Date the service was performed;
- Quantity of item(s) purchased or hours worked;
- Description of item(s) or services purchased;

- Unit price/Prorate;
- Total amount of the line item;

Please also add the following information to the invoices:

- The activity # that the expense is being posted to. If a portion of an expense is being posted to more than one activity or budget line items, please include that information on the invoice (Environment and Natural Resource Trust Fund only).
- The budget line item (or category) the expense is being posted to. Examples include expenses identified as “travel”, “personnel”, “equipment”, etc.

### Commissioner’s Plan Travel Allowances

Travel must be included in the approved work/accomplishment plan and budget in order to be eligible for reimbursement. Out of state travel is an ineligible expense for both ENRTF and OHF projects unless explicitly approved in the work/accomplishment plan.

Website link for information on meal and mileage rates: [Commissioner's Plan Website](#) (Select Chapter 15 – Expense Reimbursement)

## Contact Information

Minnesota Department of Natural Resources - Office of Management and Budget Services, Grants Unit  
500 Lafayette Road St. Paul, MN 55155-4010

[Pass-Through Grants Website](#)

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## APPENDIX

### Reimbursement Request Checklist

The checklist contains the items that must be included with the reimbursement request. Please use the checklist to ensure that the payment request is complete.

For all projects, the Grantee must submit the following:

1. \_\_\_\_\_ **Section 1: Project Reimbursement Payment Request Form**

This document must be dated and signed by an appropriate representative for the grantee. Please complete the form and include the name of the project, the SWIFT purchase order number (300000XXXX), the sequence of the request (for example, the first request would be #1), and the period of time the request covers.

2. \_\_\_\_\_ **Section 2: Reimbursement Spreadsheet**

The Reimbursement Spreadsheet will need to be customized to include the budget items and outcomes/activities from Attachment A, the approved work/accomplishment plan. This will help track budget line items to ensure funding is being expended by budget categories.

3. \_\_\_\_\_ **Section 3: Project Activity Summary Spreadsheet**

The Project Activity Summary Spreadsheet should include the date range of reimbursable activity, the transaction date, the approved budget category for each charge and the amount requested, along with a brief description of the reimbursable items.

4. \_\_\_\_\_ **Section 4: Reimbursement Documentation**

Submit copies of receipts, invoices, and time records (payroll). This information is necessary to determine if the expenses are eligible for reimbursement. Please write the activity number, budget item title and payment information (such as check number, bank statement) on the receipt/invoice document submitted. This information is needed to determine what part of the project the expenses are being directed to.

5. \_\_\_\_\_ **Section 5: Acquisition Documents (if applicable)**

Specific documentation is required for land acquisitions. Please see your grant agreement to view your land acquisition reporting requirements.



## **Attachment E. Land Acquisition Reporting Procedures**

Outdoor Heritage Fund Pass-Through Grant Appropriations

(July 2018, replaces all previous Attachment E versions)

### **Section 1 – Grant procedures for all land acquisitions.**

**All pre-closing documentation should be submitted to the DNR Grants Unit at least 10 business days prior to your closing date in order to facilitate a successful transfer of grant funds.**

The DNR Grants Unit review and approval of all elements of Attachment E including, but not limited to an appraisal, legal description, title work, and environmental assessment is required. The recipient assumes the risk that their costs will not be covered under this agreement if the recipient purchases the real property or interest in real property before receiving the required DNR approval.

A copy of the DNR appraisal guidelines, forms, and list of appraisal reviewers can be found at the following location: [DNR Appraisal Management](#)

### **Legal Description**

- a. The grant recipient must have a real estate professional review the full legal description for the property being acquired. When appropriate, the grant recipient shall have the full legal description reviewed by a surveyor. The grant recipient must have the property surveyed by a surveyor hired by the grant recipient, if it is needed to have a recordable legal description. The surveyor hired by the grant recipient must be [licensed in Minnesota](#).
- b. If a property is intended to be conveyed to the DNR, and a survey is required, please provide your surveyor the DNR survey guidelines to help ensure another survey won't be required prior to conveyance. Those guidelines can be provided to you by your grants specialist.
- c. Any acres not eligible to be acquired with grant funds (for example, RIM acres) should be excluded from the full legal description.

### **Valuation/Appraisal**

The effective date of the appraisal must be no more than one year prior to obtaining an executed purchase agreement. Closing on the property should happen within one year of executing the purchase agreement. Please contact your Grants Specialist if you do not anticipate this being possible.

For the specific purposes of this document, “appraised value” refers to the certified appraised value of the land to be purchased. A separate certified appraised value must be provided for all lands/interest in lands purchased with state grant funds. Separate certifications and legal descriptions are not required if the Outdoor Heritage Fund (OHF) notice of funding restriction is placed on the entire property regardless of whether OHF funds are paying for the entire property.

- a. No appraisal is required if the land's appraised value is \$20,000 or less. However, the grant recipient must provide documentation on how the value was determined.
- b. For properties valued over \$20,000, an appraisal must be completed and prepared by a [Certified General Level 4 appraiser licensed in Minnesota](#).

1. The appraisal must be prepared in conformity with the guidelines titled “[Uniform Standards of Professional Appraisal Practice](#)” and [Minnesota DNR “Supplemental Appraisal and Appraisal Review Guidelines \(1-1-2016 version\).”](#)
2. In order to ensure compliance with the applicable appraisal standards:
  - a. Your written assignment instructions to the appraiser must be included as an addendum of the appraisal report.
  - b. The grant recipient must provide the appraiser with a **full legal description** and an estimate of the acreage of the property being acquired with grant funds. Full legal description refers to the legal description that would be used in the deed transferring the property from the current owner to the grant recipient. The appraiser must include the full legal description in his/her appraisal.
    1. The appraiser must use the [DNR Certification Form](#) or incorporate all aspects of this form into a separate template.
    2. The DNR must be named as an intended user of the appraisal report.
    3. The intended use shall include ***negotiation and grant reimbursement***.
  - c. If the appraised value is greater than \$10 million, two appraisals are required and the DNR must be involved in writing the appraisal scope of work to be provided to the appraisers. Contact Cindy Nathan at: [cindy.nathan@state.mn.us](mailto:cindy.nathan@state.mn.us).
  - d. If the results of a survey, negotiation, or title work change information relevant to the appraisal, including, but not limited to the legal description, acreage, or ownership, this information must be given to the appraiser to consider. The appraiser must then provide written documentation stating if the new information has changed the estimated market value in the report. If there is a change, the appraiser must provide appropriate supporting evidence and a new DNR certification reflecting the new estimated market value.

## Appraisal Review

- a. Appraisal reviews must be completed prior to submitting a request for reimbursement and it is recommended they are completed prior to obtaining an executed purchase agreement.
- b. The appraisal review must be prepared in conformity with the “Uniform Standards of Professional Appraisal Practice” and the current Minnesota DNR “Supplemental Appraisal and Appraisal Review Guidelines (1-1-2016 version)”
- c. The grant recipient may conduct an administrative review for all appraised properties valued up to \$500,000. The grant recipient must use the [DNR Administrative Review Checklist](#). All elements of the checklist must be met. The administrative review checklist must be completed by an individual who was not involved in the negotiations of acquiring the property from the landowner.
- d. Technical reviews are required for properties with an appraised value of over \$500,000, up to \$1,000,000. In the event the landowner and grant recipient each choose to get an appraisal, a technical review will be required to determine which appraisal will be used.
  1. The grant recipient must use a [technical reviewer on the list provided by the DNR](#).
  2. The DNR must be named as an intended user of the appraisal review report.
  3. The intended use must be to assure ***conformance to standards, reliability and credibility of the appraisal for use in reimbursement of grant monies***.
  4. The reviewer must use the [DNR Reviewer Certification Form](#).
  5. The grant recipient must provide the appraisal reviewer with a full legal description and an estimate of the acreage of the property being acquired with grant funds. Full legal description refers to the legal description that would be used in the deed transferring the property from the current owner to the grant recipient. The appraisal reviewer must include the full legal description in his/her appraisal review.
  6. The appraisal must be recommended.

- e. For properties appraised at a value greater than \$1,000,000, the technical appraisal review will be conducted by the DNR.
  1. In order to have a technical review conducted by the DNR, the grantee must submit a Use of Funds letter to the DNR Grants Unit in order to pay for the DNR Appraisal Management team to do the review. The Use of Funds letter requirements are listed in your grant agreement. The grantee must have funding in their “DNR Land Acquisition Costs” line item in the approved accomplishment plan budget to pay for any DNR land acquisition services related to the project.
  2. The grant recipient must provide the [acquisition packet](#) information and all appraisal documentation to Cindy Nathan. Please contact Cindy Nathan to determine how much time it will take for the review to be conducted by the DNR.
  3. The DNR must be named as an intended user of the appraisal review report.
  4. The intended use must be to assure *conformance to standards reliability and credibility of the appraisal for use in reimbursement of grant money*.
  5. The appraisal must be recommended.
  6. The acquisition packet and appraisal report (2 copies) shall be submitted to: Cindy Nathan, Minnesota DNR, 1601 Minnesota Drive, Brainerd, MN 56401.
  7. The State Reviewed Appraisal Certificate Letter will be mailed to the grant recipient at the location indicated on the acquisition packet once it has been completed.
  8. The State Reviewed Appraisal Certificate Letter issued by the Appraisal Management team to the grantee must be submitted to the DNR Grants Unit prior to the transfer of grant funds for the specified acquisition.
  
- f. A landowner may choose to hire their own appraiser with the following guidelines:
  1. The appraisal must be done to the same standards that are put forth in Attachment E.
  2. The grant recipient and the landowners appraisal must be completed around the same time to assure similar market conditions are present.
  3. The DNR will hire an independent appraiser to perform a technical review on both appraisals.
  4. Once the technical review is complete, the reviewer will recommend one report, or on rare occasions reject both reports.
  5. The landowner’s appraisal will not be considered if the grant recipient has had a technical review conducted, and/or has offered the landowner an amount to purchase the property based on an existing appraisal.

## **Landowner Information**

1. The grant recipient must be working with a willing seller and the landowner must be made aware of the fact that the grant recipient intends to either retain ownership or convey the real property or an interest in the property to a governmental entity.
2. The grant recipient must disclose any conflict of interests to the landowner.
3. The grant recipient must obtain a completed copy of the most current Landowner’s Disclosure Form that contains all components of the form based on discussions with the landowner.
4. The completed landowner’s disclosure form must be provided to the appraiser and the appraiser reviewer before the appraisal and appraisal review are conducted. The grant recipient may have the appraiser include this form as an addendum to their appraisal or the grant recipient may submit it to the DNR Grants Unit separately.

## Site Assessment

1. The grant recipient shall conduct an appropriate [site assessment](#) of the real property to determine whether the real property is used or has ever been used for the manufacture, use, storage, or disposal of any hazardous waste or toxic substance, pollutant or contaminants. If contamination is suspected, a Phase 1 review is required. If appropriate based on the findings of the Phase 1, a Phase 2 review is required.
2. The grant recipient must inspect any buildings and other improvements.

## Marketable Title

1. The grant recipient must obtain marketable title for the property as shown either by a title opinion prepared by an attorney licensed to practice in Minnesota or by title insurance (not just a title commitment). Should a cure be required before transfer to the DNR, the grant recipient is responsible for the cure to title.

## County Board and Town Board Notification

1. At least 30 days before a fee title closing, a nongovernmental organization must notify in writing the county board and town board where the land is located the intent to purchase. The county and town board must also be furnished with description of the land to be acquired at the time of notification.

## Reasonable Costs/Accountability of Overall Program

1. Documentation of all costs is required for reimbursement.
2. Grant recipients are subject to periodic audits of purchases, appraisals, and appraisal review procedures. DNR's audit team may include financial, appraisal, and legal staff.
3. Audit findings may alter grant recipient's future level of authority to conduct work or receive additional grants.

## Conveyance to the DNR

1. If the property is to be conveyed to the DNR, please provide the DNR with the following information that was gathered under these procedures. These documents are to be provided to the DNR Lands and Minerals Project Manager assigned to the acquisition project.
  - a. a copy of the initial site assessment information;
  - b. the landowner disclosure form completed by the landowner from whom you purchased the property;
  - c. evidence that the County Board was notified of the acquisition and any comments/concerns stemming from the notification;
  - d. the title information i.e. attorney's title opinions, commitments for title insurance;
  - e. any survey work completed to DNR survey guidelines;
  - f. the deeds (copies of the existing landowner's deed and purchase/option agreement and exercise letter if the property has not been purchased yet) or copy of the deed showing transfer of ownership to the grant recipient.
2. If you want to arrange for a closing with the DNR that is in close proximity in time to your closing with the landowner from whom you are acquiring the property, please contact the acquisition program coordinator and the DNR Lands and Minerals Project Manager assigned to the acquisition project before obtaining a signed option from the landowner.

## Section 2 – Reporting Requirements, Eligible Costs, Conditions for Payment of Eligible Costs

### Reporting Requirements and Notice of Funding Restrictions

- a. The grant recipient must comply with the project requirements and reporting requirements specified in [Minnesota Statute 97A.056](#), Subdivisions 13, 15, 16, & 17.
- b. A legal description of the interest in real property covered by the funding agreement;
- c. A reference to the underlying funding agreement;
- d. A reference to 97A.056, Subdivision 15c; and
- e. **The following statement must be referenced in the Notice of Funding Restrictions:** *"This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams Outdoor Heritage Council or its successor. The ownership of the interest in real property shall transfer to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."*

### Eligible Costs are the Following:

- a. The value the grant recipient paid for the property up to 110% of the appraised value,
- b. Appraisals and Appraisal Reviews for land to be acquired with OHF funds,
- c. Surveys,
- d. Title commitment,
- e. Loan costs for holding the property,
- f. Property taxes paid by the grant recipient from the date of its acquisition provided the property will be conveyed to a government entity during the grant period,
- g. Attorney fees for the specific acquisition (i.e. title opinion),
- h. Staff time spent on the specific acquisition,
- i. Abstracting, recording fees, and other closing fees,
- j. Penalty payments made for prepayment of a mortgage or loan,
- k. Title Insurance, and
- l. Phase 1 Site Assessments.
- m. Mineral Reports

### Eligible Costs upon Prior Approval are the Following:

- a. Phase 2 Site Assessments,
- b. Other due diligence expenses, carrying costs, and transactional costs not listed under 2. Eligible Costs, and

## Conditions for Payments of Eligible Costs

The Recipient may use funds available under this Agreement to cover any costs incurred in following the above land acquisition procedures and as otherwise set out in the Accomplishment Plan attached as Attachment A subject to the following conditions:

- a. The Recipient will not be entitled to use funds available under this Agreement for any land value costs in excess of 110% of the appraised value.
- b. Eligible costs incurred in the purchase of real property or an interest in real property must be documented by:
  - **Pre-Closing Items to DNR (Required at least 10 business days before the closing date)**
    1. A copy of the site assessment document,
    2. A copy of all appraisal(s) and appraisal review(s),
    3. State Review Appraisal Certificate Letter, if required,
    4. The full legal description of the real property or interest in real property purchased,
    5. Any required survey,
    6. Landowner's Disclosure Form (may be contained in the appraisal addenda),
    7. Evidence of title as required above or as otherwise agreed to by the Attorney General, and
    8. Evidence of the amount to be paid for the real property or interest in real property (signed purchase agreement or signed option agreement along with an option exercise letter).
    9. Evidence that county and town boards were notified in writing at least 30 days prior to acquisition.
  - **Post-Closing Items to DNR (Required within 10 days after the closing date)**
    1. Settlement Statement.
    2. Confirmation of bank payment.
  - **Post-Closing Items to DNR (Required within 60 days after the closing date)**
    1. A copy of the recorded deed or easement language,
    2. Evidence of successfully recording a notice of funding restrictions
    3. Title Insurance Policy (if used)
    4. Documentation of revenues (as applicable when land is transferred to the state)
  - **Post-Closing Items to LSOHC (Required within 60 days after the closing date)**
    1. Final Disposition document,
    2. Parties to an easement must specify in the easement document all the provisions of their agreement that are perpetual; an electronic copy of the terms of an easement acquired must be sent to LSOHC.
    3. Documentation of revenues (as applicable when land is transferred to the state)





## **Attachment F: Additional Outdoor Heritage Fund Requirements**

*Minnesota Department of Natural Resources Pass-Through Grants Unit*

### **ML 2018 Appropriation Law**

*Source: Minnesota Laws 2018, [Chapter 208](#), Article 1, Section 2*

#### *Subd. 7. Appropriation Availability*

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2021. For acquisition of real property, the amounts in this section are available until June 30, 2022, if a binding agreement with a landowner or purchase agreement is entered into by June 30, 2021, and closed no later than June 30, 2022. Funds for restoration or enhancement are available until June 30, 2023, or five years after acquisition, whichever is later, in order to complete initial restoration or enhancement work. If a project receives at least 15 percent of its funding from federal funds, the time of the appropriation may be extended to equal the availability of federal funding to a maximum of six years if that federal funding was confirmed and included in the second draft accomplishment plan. Funds appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public-use facilities must have a minimal impact on habitat in acquired lands.

#### *Subd. 8. Payment Conditions and Capital Equipment Expenditures*

All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2018, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. For the purposes of administering appropriations and legislatively authorized agreements paid out of the outdoor heritage fund, an expense must be considered reimbursable by the administering agency when the recipient presents the agency with an invoice, or a binding agreement with the landowner, and the recipient attests that the goods have been received or the landowner agreement is binding. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to

accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items over \$10,000 must be itemized in and approved as part of the accomplishment plan.

#### *Subd. 9. Mapping*

Each direct recipient of money appropriated in this section, as well as each recipient of a grant awarded pursuant to this section, must provide geographic information to the Lessard-Sams Outdoor Heritage Council for mapping of any lands acquired in fee with funds appropriated in this section and open to public taking of fish and game. The commissioner of natural resources must include the lands acquired in fee with money appropriated in this section on maps showing public recreational opportunities. Maps must include information on and acknowledgment of the outdoor heritage fund, including a notation of any restrictions.

## **97A.056 Outdoor Heritage Fund; Lessard-Sams Outdoor Heritage Council**

Source: [Minnesota Statute 97A.056](#)

#### *Subd. 9. Lands in public domain.*

Money appropriated from the outdoor heritage fund shall not be used to purchase any land in fee title or a permanent conservation easement if the land in question is fully or partially owned by the state of Minnesota or a political subdivision of the state, unless: (1) the purchase creates additional direct benefit to protect, restore, or enhance the state's wetlands, prairies, forests, or habitat for fish, game, and wildlife; and (2) the purchase is approved by an affirmative vote of at least nine members of the council.

#### *Subd. 10. Restoration and enhancements evaluations.*

The commissioner of natural resources and the Board of Water and Soil Resources must convene a technical evaluation panel comprised of five members, including one technical representative from the Board of Water and Soil Resources, one technical representative from the Department of Natural Resources, one technical expert from the University of Minnesota or the Minnesota State Colleges and Universities, and two representatives with expertise in the project being evaluated. The board and the commissioner may add a technical representative from a unit of federal or local government. The members of the technical evaluation panel may not be associated with the restoration or enhancement, may vary depending upon the projects being reviewed, and shall avoid any potential conflicts of interest. Each year, the board and the commissioner may assign a coordinator to identify habitat restoration or enhancement projects completed with outdoor heritage funding. The coordinator shall secure the plans for the projects specified and direct the technical evaluation panel to evaluate the restorations and enhancements relative to the law, current science, and the stated goals and standards in the project plan and, when applicable, to the Board of Water and Soil Resources' native vegetation

establishment and enhancement guidelines. The coordinator shall summarize the findings of the panel and provide a report to the chair of the Lessard-Sams Outdoor Heritage Council and the chairs of the respective house of representatives and senate policy and finance committees with jurisdiction over natural resources and spending from the outdoor heritage fund. The report shall determine if the restorations and enhancements are meeting planned goals, any problems with the implementation of restorations and enhancements, and, if necessary, recommendations on improving restorations and enhancements. The report shall be focused on improving future restorations and enhancements. At least one-tenth of one percent of forecasted receipts from the outdoor heritage fund must be used for restoration and enhancements evaluations under this section.

*Subd. 11. Recipient requirements.*

(a) A state agency or other recipient of a direct appropriation from the outdoor heritage fund must compile and submit all information for funded projects or programs, including the proposed measurable outcomes and all other items required under section 3.303, subdivision 10, to the Legislative Coordinating Commission as soon as practicable or by January 15 of the applicable fiscal year, whichever comes first. The Legislative Coordinating Commission must post submitted information on the Web site required under section [3.303, subdivision 10](#) as soon as it becomes available.

(b) When practicable, a direct recipient of an appropriation from the outdoor heritage fund shall prominently display on the recipient's Web site home page the legacy logo required under Laws 2009, chapter 172, article 5, section 10, as amended by Laws 2010, chapter 361, article 3, section 5, accompanied by the phrase "Click here for more information." When a person clicks on the legacy logo image, the Web site must direct the person to a Web page that includes both the contact information that a person may use to obtain additional information, as well as a link to the Legislative Coordinating Commission Web site required under section [3.303, subdivision 10](#).

(c) Future eligibility for money from the outdoor heritage fund is contingent upon a state agency or other recipient satisfying all applicable requirements in this section, as well as any additional requirements contained in applicable session law. If the Office of the Legislative Auditor, in the course of an audit or investigation, publicly reports that a recipient of money from the outdoor heritage fund has not complied with the laws, rules, or regulations in this section or other laws applicable to the recipient, the recipient must be listed in an annual report to the legislative committees with jurisdiction over the legacy funds. The list must be publicly available. The legislative auditor shall remove a recipient from the list upon determination that the recipient is in compliance. A recipient on the list is not eligible for future funding from the outdoor heritage fund until the recipient demonstrates compliance to the legislative auditor.

*Subd. 12. Accomplishment plans.*

It is a condition of acceptance of money appropriated from the outdoor heritage fund that the agency or entity using the appropriation submits an accomplishment plan and periodic accomplishment reports to the Lessard-Sams Outdoor Heritage Council in the form determined by the council. The accomplishment plan must identify the project manager responsible for expending the appropriation and the final

product. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include an evaluation of results. If lands are acquired by fee with money from the outdoor heritage fund, the accomplishment plan must include a hunting and fishing management plan for the lands acquired by fee. No money appropriated from the outdoor heritage fund may be expended unless the council has approved the pertinent accomplishment plan.

*Subd. 13. Project requirements.*

(a) As a condition of accepting money appropriated from the outdoor heritage fund, an agency or entity receiving money from an appropriation must comply with this subdivision for any project funded in whole or in part with funds from the appropriation.

(b) All conservation easements acquired with money appropriated from the outdoor heritage fund must:

(1) be permanent;

(2) specify the parties to the easement;

(3) specify all of the provisions of an agreement that are permanent;

(4) specify the habitat types and location being protected;

(5) where appropriate for conservation or water protection outcomes, require the grantor to employ practices retaining water on the eased land as long as practicable;

(6) specify the responsibilities of the parties for habitat enhancement and restoration and the associated costs of these activities;

(7) be sent to the office of the Lessard-Sams Outdoor Heritage Council;

(8) include a long-term stewardship plan and identify the sources and amount of funding for monitoring and enforcing the easement agreement; and

(9) identify the parties responsible for monitoring and enforcing the easement agreement.

(c) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration. The plan must include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use current conservation science to achieve the best restoration.

(d) For new lands acquired, a recipient must prepare a restoration and management plan in compliance with paragraph (c), including identification of sufficient funding for implementation.

(e) To ensure public accountability for the use of public funds, a recipient must provide to the Lessard-Sams Outdoor Heritage Council documentation of the process used to select parcels acquired in fee or as permanent conservation easements and must provide the council with documentation of all related transaction costs, including, but not limited to, appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Lessard-Sams Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. The commissioner of natural resources may conduct or require additional appraisals of parcels to be acquired in fee title or as conservation easements. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to chapter 13.

(f) Except as otherwise provided in the appropriation, all restoration and enhancement projects funded with money appropriated from the outdoor heritage fund must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in section [103G.005](#), subdivision 15.

(g) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation from the outdoor heritage fund must provide to the Lessard-Sams Outdoor Heritage Council and the commissioner of management and budget an analysis of increased operation and maintenance costs likely to be incurred by public entities as a result of the acquisition and of how the costs are to be paid.

(h) A recipient of money appropriated from the outdoor heritage fund must give consideration to and make timely written contact with Conservation Corps Minnesota for possible use of the corps' services to contract for restoration and enhancement services. A copy of the written contact must be filed with the Lessard-Sams Outdoor Heritage Council within 15 days of execution.

(i) A recipient of money appropriated from the outdoor heritage fund must erect signage according to Laws 2009, chapter 172, article 5, section 10.

(j) At least 30 days before closing on an acquisition of land in fee title with money in whole or in part from the outdoor heritage fund, a nongovernmental organization must notify in writing the county board and town board where the land is located and furnish them a description of the land to be acquired.

*Subd. 14. Purchase of recycled and recyclable materials.*

A political subdivision, public or private corporation, or other entity that receives money appropriated from the outdoor heritage fund must use the money in compliance with sections [16C.0725](#), regarding purchase of recycled, repairable, and durable materials, and [16C.073](#), regarding purchase and use of paper stock and printing.

*Subd. 15. Land acquisition restrictions.*

(a) An interest in real property, including, but not limited to, an easement or fee title, that is acquired with money appropriated from the outdoor heritage fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding that acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor. The council shall notify the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over the outdoor heritage fund at least 15 business days before approval under this paragraph. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams Outdoor Heritage Council or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation."

*Subd. 16. Real property interest report.*

(a) By December 1 each year, a recipient of money appropriated from the outdoor heritage fund that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. If lands are acquired by fee with money from the outdoor heritage fund, the real property interest report must include a verification of the status of the hunting and fishing management plan for the lands acquired by fee. The responsibility for reporting under this subdivision may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

- (1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;
- (2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 15; and
- (3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this subdivision.

*Subd. 17. Easement monitoring and enforcement requirements.*

Money appropriated from the outdoor heritage fund for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the accomplishment plan. Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and is appropriated for monitoring and enforcing conservation easements in the state. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide an annual financial report to the Lessard-Sams Outdoor Heritage Council on the easement monitoring and enforcement fund as specified in the accomplishment plan. Money appropriated from the outdoor heritage fund for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if:

- (1) the easement transfers to the state under subdivision 15;
- (2) the holder of the easement fails to file an annual report and then fails to cure that default within 30 days of notification of the default by the state; or
- (3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the accomplishment plan and fails to cure that default within 90 days of notification of the default by the state.



*Subd. 18. Successor organizations.*

The Lessard-Sams Outdoor Heritage Council may approve the continuation of a project with an organization that has adopted a new name. Continuation of a project with an organization that has undergone a significant change in mission, structure, or purpose requires:

- (1) notice to the chairs of the legislative committees and divisions with jurisdiction over the outdoor heritage fund; and
- (2) presentation by the council of proposed legislation either ratifying or rejecting continued involvement with the new organization.

*Subd. 19. Fee title acquisition; open season.*

(a) Lands acquired by fee with money appropriated from the outdoor heritage fund that are held by the state must be open to the public taking of fish and game during the open season, unless otherwise provided by state law.

(b) Lands acquired by fee with money appropriated from the outdoor heritage fund that are held by the United States Fish and Wildlife Service must be open to the public taking of fish and game during the open season according to the National Wildlife Refuge System Improvement Act, United States Code, title 16, section 668dd, et seq.

(c) Except as provided in paragraph (b), lands acquired by fee with money appropriated from the outdoor heritage fund that are held by a nonstate entity must be open to the public taking of fish and game during the open season, unless otherwise prescribed by the commissioner of natural resources.

*Subd. 20. Donations.*

A recipient shall not accept a monetary donation or payment from an owner of land that is acquired in fee in whole or in part with an appropriation from the outdoor heritage fund that exceeds the documented expenses that are directly related to and necessary for activities specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council, unless expressly approved by the Lessard-Sams Outdoor Heritage Council in the accomplishment plan. This subdivision does not apply to donations that are not connected with the acquisition transaction or bargain sales, as defined by Code of Federal Regulations, title 26, section 1.1011-2, provided that the purchase price reimbursed by the state does not exceed the purchase price paid by the recipient.

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*Subd. 21. Haying and grazing.*

Lands acquired with money appropriated from the outdoor heritage fund may not be used for emergency haying and grazing in response to federal or state disaster declarations. Conservation grazing under a management plan that is being implemented prior to the emergency declaration may continue.

*Subd. 22. Revenues.*

(a) A recipient must disclose to the Lessard-Sams Outdoor Heritage Council and the commissioner all revenues that are received by the recipient before the availability of the appropriation ends and that are generated from activities on land acquired in fee title or easement, restored, or enhanced with money from the outdoor heritage fund. The revenues must be disclosed to the council and commissioner no later than 60 days after the availability of the appropriation ends.

(b) For all revenues disclosed under paragraph (a), a recipient must:

(1) use the revenues to protect, restore, or enhance wetlands, prairies, forests, or habitat for fish, game, or wildlife according to the appropriation purposes and the approved accomplishment plan;

(2) use the revenues for other purposes as approved in the accomplishment plan by the Lessard-Sams Outdoor Heritage Council; or

(3) transfer the revenues to the outdoor heritage fund no later than 60 days after the availability of the appropriation ends, unless otherwise approved by the council.

(c) Paragraph (b), clause (3), does not apply to the state and its departments and agencies.

*Subd. 23. Reserve requirement.*

In any fiscal year, at least five percent of that year's projected tax receipts determined by the most recent forecast for the outdoor heritage fund must not be appropriated.

*Subd. 24. Previous funding notification requirement.*

Any state agency or organization requesting a direct appropriation from the outdoor heritage fund must inform the Lessard-Sams Outdoor Heritage Council and the house of representatives and senate committees having jurisdiction over the outdoor heritage fund, at the time the request for funding is made, whether the request is supplanting or is a substitution for any previous funding that was not from a legacy fund and was used for the same purpose.