

Outdoor Heritage Fund Grant Application



The purpose of the North Dakota Outdoor Heritage Fund is to provide funding to state agencies, tribal governments, political subdivisions, and nonprofit organizations, with higher priority given to projects that enhance conservation practices in this state by:

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Exemptions

Outdoor Heritage Fund grants may not be used to finance the following:

- A. Litigation;
- B. Lobbying activities;
- C. Any activity that would interfere, disrupt, or prevent activities associated with surface coal mining operations; sand, gravel, or scoria extraction activities; oil and gas operations; or other energy facility or infrastructure development;
- D. The acquisition of land or to encumber any land for a term longer than twenty years; or
- E. Projects outside this state or projects that are beyond the scope of defined activities that fulfill the purposes of Chapter 54-17.8 of the North Dakota Century Code.

NO CONSIDERATION:

In addition to those specific items in law that are ineligible for funding, in the absence of a finding of exceptional circumstances by the Industrial Commission, the following projects will NOT receive consideration for funding:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year (see Budget Form for how this will be calculated);
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less (see Budget Form for how this will be calculated);

- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project (see Budget Form for definition of comprehensive conservation plan and new or expanded recreational project); or
- A project in which the applicant is not directly involved in the execution and completion of the project.

Application Deadline

Applications for this grant round cycle are due on **October 1, 2015 at 5:00 p.m. CT.** All information, including attachments, must be submitted by that date. See instructions below for submission information.

Instructions

Please download this Word document (available on the Industrial Commission/Outdoor Heritage Fund Program website at <http://www.nd.gov/ndic/outdoor-infopage.htm>) to your computer and provide the information as requested. You are not limited to the spacing provided except in those instances where there is a limit on the number of words. After completing the application, save it and attach it to an e-mail and send it to outdoorheritage@nd.gov or print it and mail it to the address noted in the next paragraph.

Attachments in support of your application may be sent by mail to North Dakota Industrial Commission, ATTN: Outdoor Heritage Fund Program, State Capitol – Fourteenth Floor, 600 East Boulevard Ave. Dept. 405, Bismarck, ND 58505 or by e-mail to outdoorheritage@nd.gov. The application and all attachments must be received or postmarked by the application deadline. You will be sent a confirmation by e-mail of receipt of your application.

You may submit your application at any time prior to the application deadline. Early submission is appreciated and encouraged to allow adequate time to review your application and ensure that all required information has been included. Incomplete applications may not be considered for funding. **Any item noted with an * is required.**

Oral Presentation. Please note that you will be given an opportunity to make a ten-minute Oral Presentation at a meeting of the Outdoor Heritage Fund Advisory Board. These presentations are strongly encouraged.

Open Record. Please note that your application and any attachments will be open records as defined by law and will be posted on the Industrial Commission/Outdoor Heritage Fund website.

Name of Organization * McKenzie County Water Resource District (MCWRD)

Federal Tax ID# * 45-600-2224

Contact Person/Title * Jeff Viniard – Assistant Manager

Address * 201 5th St NW Suite 1456

City * Watford City

State * ND

Zip Code * 58854

E-mail Address * jviniard@co.mckenzie.nd.us

Web Site Address (Optional)

Phone * 701-842-2821

Fax # (if available)

List names of co-applicants if this is a joint proposal

Jeff Shaffer – Director MCWD

MAJOR Directive: (select the Directive that best describes your grant request)*

Choose only one response

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

Directive C. Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

Directive D. Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive: (select the directives that also apply to the grant application purpose)*

Choose all that apply

Directive A. Providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

X **Directive B.** Improving, maintaining and restoring water quality, soil conditions, plant diversity, animal systems and by supporting other practices of stewardship to enhance farming and ranching;

O **Directive C.** Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public lands; and

X **Directive D.** Conserving natural areas and creating other areas for recreation through the establishment and development of parks and other recreation areas.

Type of organization: (select the category that describes your organization)*

- O State Agency
- X Political Subdivision
- O Tribal Entity
- O Tax-exempt, nonprofit corporation.

Project Name*

Arnegard Reservoir/Lake Peschek Rehabilitation

Abstract/Executive Summary. An Executive Summary of the project stating its objectives, expected results, duration, total project costs and participants.* (no more than 500 words)

Project Duration:*

The Arnegard Dam and its reservoir Lake Peschek is located three miles north of US 85, 2 miles west of Arnegard, ND in McKenzie County. The reservoir was built in 1935 on Timber Creek, initially impounding 85.5 acre-feet of water in a reservoir covering over 24 acres and having over a mile of shoreline. In the years since its renovation in 1967 sedimentation has reduced capacity of the reservoir by more than 50%. This "silting up" has proceeded to the point where average depth of the water in the reservoir is around four feet, greatly diminishing the suitability of the reservoir as an aquatic habitat. The McKenzie County Water Resource District (MCWRD) has contracted to conduct small dredging operations on this lake in the past, and is looking to remove adequate sediment from the reservoir's bottom to restore it to its original condition.

MCWRD will work with other county entities – namely the Roads Department and Parks Board – to rehabilitate the dam and facilities surrounding the lake as well. Funds awarded through the OHF grant will cover expenses from dredging, as measured by volume of sediment removed from the reservoir, and work from county entities will be conducted simultaneous to dredging as in-kind consideration.

Based on our experiences with dredging in the past, as well as discussions with contractors' familiar with the area, we anticipate restoring the reservoir through dredging will take place over the span of

three years due to seasonal work stoppages for weather. MCWRD anticipates work will commence in spring of 2016 pending awarding of funds.

By restoring the reservoir to its original depth we expect to increase its suitability as a habitat for wildlife. This will also lead to a better experience for anglers in the area, as the lake is remembered by many locals as once being a desirable fishing location. While there are other recreational reservoirs in the county, Lake Peschek is a recreational destination whose effectiveness has been compromised by years of sediment accumulating into the reservoir.

Amount of Grant request \$ * 1,200,000

Total Project Costs \$* 1,600,000

(Note that in-kind and indirect costs can be used for matching funds)

A minimum of 25% Match Funding is required. Amount of Matching Funds \$* 400,000

Please indicate if the matching funds will be in-kind, indirect or cash.

In kind and cash – see below.

Source(s) of Matching Funds*

Please provide verification that these matching funds are available for your project. Note that effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose.

Matching funds for dredging operations will come from in-kind consideration from McKenzie County Road Department in labor and materials, MCWRD in management and oversight of project. Proceeds from sale of dredging spoil will contribute to the matching funds as well. If sales of dredged material exceed the amount budgeted for as MCWRD's contribution, MCWRD will return funds to OHF equal to the amount of proceeds from spoilage sales over our budgeted contribution amount.

Certifications *

X I certify that this application has been made with the support of the governing body and chief executive of my organization.

X I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted on Page 1 of this application.

Narrative

Organization Information – Briefly summarize your organization's history, mission, current programs and activities. *

Include an overview of your organizational structure, including board, staff and volunteer involvement. (no more than 300 words)

The McKenzie County Water Resource District is a political subdivision charged with managing the surface waters within the county, excluding waters managed by another authority (i.e. Lake

Sakakawea). This includes maintaining Arnegard Dam and Reservoir, as well as the facilities on the lake like access road, docks, ramps, and picnicking facilities.

The McKenzie County Water Resource District Board is comprised of a chairman, vice chairman, and three board directors appointed by the McKenzie County Commissioners. The Board employs a Water Resource District department Director, assistant manager, and water utilities specialist, along with four operators who are charged primarily with executing rural water distribution activities of the McKenzie County Rural Water Association. McKenzie County Auditor has oversight of financial transactions.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program *

Identify project goals, strategies and benefits and your timetable for implementation. Include information about the need for the project and whether there is urgency for funding. Please indicate if this is a new project or if it is replacing funding that is no longer available to your organization. Identify any innovative features or processes of your project. Please note that if your proposal provides funding to an individual, the names of the recipients must be reported to the Industrial Commission/Outdoor Heritage Fund. These names will be disclosed upon request.

Due to very erosive soils in the area the deposition of sediment at the bottom of Lake Peschek has been the driving factor in the decline of water quality in the lake, and thus quality of the fish stocks in the lake. A North Dakota Game and Fish Department survey of the lake in 2011 found a maximum depth of 9.2 feet along a small trench at the old stream bed, and calculated an average depth of the lake of 4 feet. A previous smaller dredging project in the eastern lobe of the lake reported depths no greater than four feet at any point on that portion of the lake. During this dredging project the majority of fish found in the lake were bullhead catfish with only one or two northern pike.

MCWRD is applying for a grant to cover the cost of dredging material from the lake. We estimate removing 100,000 cubic yards of sediment will restore the bottom of the reservoir close to its original contour with an average depth of 7.7 feet.

Restoring the lake to its original depth will create a more favorable environment for more-desirable game fish species and be more conducive to more fish successfully overwintering beneath the ice. In the past, the Dept. of Game and Fish has stocked Lake Peschek with Pike fingerlings, and McKenzie County Public Works Department has expressed interest in stocking game fish in the future there. We intend for the high-quality habitat created by this project to allow us to move away from annual stocking runs and toward a self-sustaining population of game fish species in the lake.

The sediment dredged from the lake bottom will be put to good use as well. The county intends to offer the sediment at reduced cost to residents in the county for private use, and sell to commercial and oilfield entities for use in development, remediation, and other uses. Developers of residential and commercial areas have created a demand for nutrient-rich topsoil. More importantly, demand exists for topsoil used in rehabilitating locations of the county impacted by oil industry spills. We believe that this latter application has the greatest potential for positive impact in the county through restoring damaged lands to a high quality suitable for resumed agricultural use and wildlife habitat.

The previous dredging operation over a small portion of the lake was able to take advantage of higher demand for soil due to the aggressive expansion of drilling in the county. Since the price of oil has declined, prices for soil produced from dredging have fallen as companies have not been remediating spill sites as aggressively, thus decreasing demand for this byproduct. This has prevented us from

contracting with dredgers to expand a successful pilot operation to the entire reservoir, as new market conditions have pushed the expanded project from revenue-neutral to revenue-negative.

Additionally, we intend to make several improvements to the area surrounding the dam with in-kind consideration from other county departments, namely the county's Roads Department and Parks Department. This includes re-grading the dirt road going into and around the reservoir, improving the dirt parking lot at the reservoir, removing undesired vegetation from the face of the dam, correcting the grade of the dam's face, and repairing the emergency spillway. These actions will correct deficiencies in the dam noted by the most recent state dam inspection report, as well as enhancing users' access to the location.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.*

Include a brief background and work experience for those managing the project.

Jeff Shaffer, the department director, has nearly 20 years' experience with industrial process control, engineering, and management.

Jeff Viniard has experience inspecting civil engineering projects for private companies, as well as educational background in limnology and hydrology.

Jeff S. and Jeff V. will also receive direction and oversight for the project from the MCWRD board of directors.

A contract between MCWRD and a dredging subcontractor will be drafted by retained legal counsel for the department, and signed by both parties prior to beginning of work. The contract will delineate responsibilities of the contractor and dictate the terms for payment including mobilization cost and a holdback for successful completion of the project and restoration of the on-site work area.

Evaluation – Describe your plan to document progress and results. *

How will you tell if the project is successful? Please be specific on the methods you will utilize to measure success. Note that regular reporting, final evaluation and expenditure reports will be required for every grant awarded.

MCWRD will conduct inspections weekly on the job site and will require the dredging company to provide a weekly progress report. Reported information will include the estimated amount of spoil that has been removed from the reservoir, the amount in the dewatering/dry down process, and the actual amount of dried and hauled-off spoil. MCWRD will pay the dredging contractor based on the volume of material sold.

The primary method for documenting project progress will be by measuring the volume of spoil removed from the lake. Additionally, once the project is completed dissolved oxygen samples will be collected and analyzed. North Dakota Game and Fish has also expressed willingness to re-map the contour of the lake bottom after the project is complete.

Financial Information

ATTACHMENT: Project Budget – Using the standard project budget format that is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> , please include a detailed total project budget that specifically outlines all the funds you are requesting. Note that a minimum of 25% match funding is required.*

The project budget should identify all matching funds, funding sources and indicate whether the matching funds are in the form of cash or in-kind services. Effective July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose. As noted on the standard project budget format, certain values have been identified for in-kind services. Please utilize these values in identifying your matching funds. **NOTE: No indirect costs will be funded.**

x I certify that a project budget will be sent to the Commission*

Sustainability – Indicate how the project will be funded or sustained in future years. *

Include information on the sustainability of this project after all the funding from the Outdoor Heritage Fund has been expended and whether the sustainability will be in the form of ongoing management or additional funding from a different source.

After the completion of this project and Arnegard reservoir being restored to a healthier depth, we expect there will be a long-term maintenance need for periodic dredging operations to maintain depth. Estimates put the need for this at about twenty years' time, and we expect normal department funds will be able to cover this cost as we are not having to "catch up" to many decades of neglect as we are with the proposed dredging operation.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested. *

If less funding is awarded than the amount requested, the amount of sediment removed from the reservoir will be reduced in proportion to the difference between the requested amount and the awarded amount. Conversely, if less sediment is found to exist than anticipated in our grant request, MCWRD can refund the ND Outdoor Heritage Fund in proportion to the difference between the grant quantity of sediment and actual sediment quantity.

Partnership Recognition - If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership? * Please note it is a requirement that there be signage at the location of the project acknowledging the funding from the Outdoor Heritage Fund if appropriate for your project.

MCRWD will update signage at the dam indicating contributions of the Outdoor Heritage Fund, in addition to thanking them in our newsletter, publishing a public-oriented synopsis of the project on our website, and in contacting local media outlets apprising them of the project.

Scoring of Grants

All applications will be scored by the Outdoor Heritage Fund Advisory Board after your ten-minute oral presentation. The ranking sheet(s) that will be used by the Board is available on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> .

Awarding of Grants*

All decisions on requests will be reported to applicants no later than 30 days after Industrial Commission consideration. The Commission can set a limit on duration of an offer on each application or if there isn't a specific date indicated in the application for implementation of the project, then the applicant has until the next Outdoor Heritage Fund Advisory Board regular meeting to sign the contract and get the project underway or the commitment for funding will be terminated and the applicant may resubmit for funding. Applicants whose proposals have been approved will receive a contract outlining the terms and conditions of the grant. Please note the appropriate sample contract for your organization on the website at <http://www.nd.gov/ndic/outdoor-infopage.htm> that set forth the general provisions that will be included in any contract issued by the North Dakota Industrial Commission. Please indicate if you can meet all the provisions of the sample contract. If there are provisions in that contract that your organization is unable to meet, please indicate below what those provisions would be. *

Responsibility of Recipient

The recipient of any grant from the Industrial Commission must use the funds awarded for the specific purpose described in the grant application and in accordance with the contract. The recipient cannot use any of the funds for the purposes stated under Exemptions on the first page of this application.

If you have any questions about the application or have trouble submitting the application, please contact Karlene Fine at 701-328-3722 or kfine@nd.gov

Revised: June 10, 2015

Budget Standard Form

Please use the table below to provide a detailed total project budget that specifically outlines all the funds you are requesting and the matching funds being utilized to fund this project. Please note if the matching funds are in the form of cash, indirect costs or in-kind services. The budget should identify all other committed funding sources and the amount of funding from each source. Match can come from any source (i.e. private sources, State and Federal funding, Tribal funding, etc.) Effective as of July 1, 2015 no State General Fund dollars can be used for a match unless funding was legislatively appropriated for that purpose. Note a minimum of 25% match funding is required. An application will be scored higher the greater the amount of match funding provided. (See Scoring Form.)

Please feel free to insert columns and rows as needed. Please include narrative to fully explain the proposed budget.

Note that NO INDIRECT COSTS will be funded from the Outdoor Heritage Fund. Also by law several items are ineligible for funding -- see Exemptions in the Application Form. Effective June 10, 2015 the following guidelines were approved by the Industrial Commission:

NO CONSIDERATION:

In addition to those specific items in law that are ineligible for funding, in the absence of a finding of exceptional circumstances by the Industrial Commission, the following projects will NOT receive consideration for funding:

- A completed project or project commenced before the grant application is submitted;
- A feasibility or research study;
- Maintenance costs;
- A paving project for a road or parking lot;
- A swimming pool or aquatic park;
- Personal property that is not affixed to the land;
- Playground equipment, except that grant funds may be provided for up to 25% of the cost of the equipment not exceeding \$10,000 per project and all playground equipment grants may not exceed 5% of the total grants per year; (See Definitions/Clarifications below)
- Staffing or outside consultants except for costs for staffing or an outside consultant to design and implement an approved project based on the documented need of the applicant and the expenditures may not exceed 5% of the grant to a grantee if the grant exceeds \$250,000 and expenditures may not exceed 10% of the grant to a grantee if the grant is \$250,000 or less; (See Definitions/Clarifications below)
- A building except for a building that is included as part of a comprehensive conservation plan for a new or expanded recreational project; (See Definitions/Clarifications below)
- A project in which the applicant is not directly involved in the execution and completion of the project.

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Total Each Project Expense
Dredging reservoir	\$1,200,000	\$213,565	\$103,680	\$	\$	\$1,517,245
Re-grading lot and road	\$	\$	\$9,238	\$	\$	\$9,238
Rehabilitation of dam face	\$	\$65,650	\$7,867	\$	\$	\$73,517
	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$

Total Costs	\$1,200,000	\$279,215	\$120,785	\$	\$	\$1,600,000
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Funding Sources

- Dredging reservoir: Removing up to 100,000 cubic yards of sediment @ \$12/cubic yard. Matching funds will come from sale of dredged material. In-kind share is actual cost of equipment usage for assisting in stockpiling and loading dredging spoil at 8 hours weekly for the duration of the project.
- Re-grading parking lot and access road: Quoted cost of \$17/cubic yard for 492 cubic yards to cover areas with 4" fresh scoria, plus transportation and grading costs billed at state rate and actual equipment cost, respectively.
- Rehabilitation of dam face: Cash contribution is cost of rip-rap to repair emergency spillway, in-kind consideration is cost of 355 cy of soil to repair dam face, plus labor to remove undesired vegetation and actual cost of equipment to place rip-rap and soil.

In-kind services used to match the request for Outdoor Heritage Fund dollars shall be valued as follows:

- Labor costs \$15.00 an hour
- Land costs Average rent costs for the county as shown in the most recent publication of the USDA, National Agricultural Statistics Services, North Dakota Field Office
- Permanent Equipment Any equipment purchased must be listed separately with documentation showing actual cost. (For example: playground equipment)
- Equipment usage Actual documentation
- Seed & Seedlings Actual documentation
- Transportation Mileage at federal rate
- Supplies & materials Actual documentation

More categories will be added as we better understand the types of applications that will be submitted. We will use as our basis for these standards other State and Federal programs that have established rates. For example the North Dakota Nonpoint Source Pollution Management Program has established rates. If your project includes work that has an established rate under another State Program please use those rates and note your source.

Definitions/Clarifications:

Building - Defined as "A structure with a roof either with walls or without walls and is attached to the ground in a permanent nature."

Comprehensive Conservation Plan - Defined as "A detailed plan that has been formally adopted by the governing board which includes goals and objectives--both short and long term, must show how this building will enhance the overall conservation goals of the project and the protection or preservation of wildlife and fish habitat or natural areas." This does not need to be a complex multi-page document. It could be included as a part of the application or be an attachment.

New and Expanded Recreational Project means that the proposed building cannot be a replacement of a current building. The proposed building must also be related to either a new or expanded recreational project--either an expansion in land or an expansion of an existing building or in the opportunities for recreation at the project site.

Playground equipment calculation - Only the actual costs of the playground equipment (a bid or invoice showing the amount of the equipment costs must be provided) - cannot include freight or installation or surface materials or removal of old equipment, etc.

Staffing/Outside Consultants Costs - If you are requesting OHF funding for staffing or for an outside consultant, you must provide information in your application on the need for OHF funding to cover these costs. For example, if you are an entity that has engineering staff you must explain why you don't have sufficient staff to do the work or if specific expertise is needed or whatever the reason is for your entity to retain an outside consultant. If it is a request for reimbursement for staff time then a written explanation is required in the application of why OHF funding is needed to pay for the costs of that staff member(s)' time. **The budget form must reflect on a separate line item the specific amount that is being requested for staffing and/or the hiring of an outside consultant.** This separate line item will then be used to make the calculation of 5% or 10% as outlined in the law. Note that the calculation will be made on the grant less the costs for the consultant or staff.

Recommended by OHF Advisory Board: October 17, 2013
Approved by Industrial Commission: October 22, 2013
Revisions recommended by OHF Advisory Board: January 22, 2014
Approved by Industrial Commission: January 29, 2014
Revisions recommended by OHF Advisory Board: May 13, 2014
Approved by Industrial Commission: May 27, 2014
Revisions recommended by OHF Advisory Board: June 3, 2015
Approved by Industrial Commission: June 10, 2015