

**EXHIBIT C**

**2018 OPERATING PLAN**

**FOREST SERVICE,  
U.S. DEPARTMENT OF AGRICULTURE**

**Northeastern Area, State and Private Forestry**

Agreement No.: 14-FI-11240004-019  
DUNS number: 929332484

And

**STATE OF MINNESOTA,**

Department of Natural Resources

**DUNS number: 879399095**

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1. **Introduction:** This operating plan is prepared pursuant to the Master Cooperative Wildland Fire Management and Stafford Act Response Agreement number: 14-FI-11420004-019 signed and dated March 2014. This operating plan supersedes: Cooperative Fire Agreement Annual Operating Plan No.: 14-FI-11420004-019, dated April 11, 2017. This operating plan provides specific details of reimbursable and non-reimbursable costs and services, including provisions for overhead costs and indirect costs, including costs associated with union agreements.
  
2. **Acknowledgements:** The Parties to this Agreement acknowledge that the intent of the Cooperative Fire Control Agreement between the State and the Northeastern Area State & Private Forestry is to enable seamless mobilization of firefighting resources from the State to other States and Federal Agencies within the Eastern Geographic Area; as well as to assist other cooperating wildland fire agencies outside the Geographic Area. This Operating Plan considers that local agreements between the State and the Superior National Forest (SUF) and/or other federal or state agencies, will provide the standards for local and jurisdictional issues including but not limited to:
  - Fire protection areas and jurisdictional responsibilities
  - Fire detection, prevention
  - Prescribed burning and joint projects
  - Communications, fire weather systems
  - Fire reporting, area closures
  - Federal wildland fire management policy
  - Managing wildland fires for resource benefit
  - Escaped Prescribed Fires
  - Cost sharing for fires on multiple jurisdictions
  - Reimbursement terms for initial attack and extended attack across jurisdictional boundaries
  - Specific allowable reimbursable costs for initial attack and extended attack incidents
  - Purchasing authority and billing procedures for incident response through the reciprocal or mutual aid agreements
  
3. **The Operating Plan** provides specific details of reimbursable and non-reimbursable costs and services, including provisions for overhead costs and indirect costs, including costs associated with union agreements.
  - Specific details of qualifications and training standards for firefighters, equipment and vehicle operators.
  - Specific details of billing and payment for resources and services provided through this agreement.
  - Designations of authorized agency representatives – and their signatures.
  - Specific details for out-of-state mobilization of State personnel and equipment – to include duration of assignments, fiscal procedures, and interagency training and qualifications standards.

## INTERAGENCY COOPERATION

4. **Interagency Resources:** Interagency funding, staffing, and utilization of resources and facilities will be pursued by the Agencies whenever an interagency approach is appropriate and cost effective. Shared staffing and funding will be commensurate with each Agency's use of resources.
5. **Administratively Determined (AD) Hires:** The parties of this Operating Plan agree that it shall be allowable for Federal hiring of state affiliated employees; either permanent, seasonal, or intermittent, under Forest Service Administratively Determined (AD) Pay Plan for Emergency Workers (Casuals). The hiring of state affiliated employees under this provision shall be for the purpose of wildfire suppression; or all hazard response for incidents that are presidentially declared under the "Stafford Act".

The Parties also agree the Persons hired under this provision must be trained, certified and "red carded" by the appropriate state official to meet national qualification standards set forth by the National Wildfire Coordinating Group (NWCG) Wildland Fire Qualification System Guide (Publication Management System PMS 310-1). Training records, and associated qualifications shall be maintained and kept current by the state. Employee wildland fire training records will be made available for review by the appropriate Forest Service (FS) personnel as needed. The parties shall recognize the Incident Qualification System (IQS) for state affiliated employees as the qualification system of record for mobilization through the Resource Ordering Support System (ROSS).

*State affiliated: means any fulltime, part-time, seasonal, intermittent, or retired employee of the state or its political subdivisions; state-affiliated volunteer; appointed or elected state agent or official; forest fire warden or deputy; member of a fire department or emergency services organization with which the state has a written agreement or understanding, whether via memorandum or within statute, who performs some work or benefit on behalf of the state.*

6. **Sharing of Resource Order Numbers:** Agencies will share their respective individual incident resource order numbers for cross-referencing purposes if requested.
7. **Delegation of Authority:** When the Protecting Agency transfers command of an incident to a Supporting Agency, the Jurisdictional Agency Administrator shall prepare a delegation of authority for the incoming Incident Commander as outlined in the *NWCG Wildland Fire Incident Management Guide*.

## PREPAREDNESS

8. **Joint Training Projects and Plans:** The Agencies may cooperate in the development and implementation of special fire management training programs, pool training resources; and share costs. Joint training projects will be documented on *Exhibit E – Supplemental Project Plan*. Joint projects will identify specific goals, activities and project finance plans.
9. **Personal Protective Equipment:** The State will provide Personal Protective Equipment (PPE) and other fire equipment as specified in *NWCG Wildland Fire Incident Management Guide* for State and Casual firefighters mobilized under this Agreement.
10. **Electronic Equipment:** Any Agency may provide cellular telephones and laptop computers for use on an incident. Agency issued computers, cell phones or electronic equipment will be authorized for use and

subject to cost reimbursement only when authorization is specified on a resource order. The use of personal cellular telephones and laptop computers is not covered under this agreement.

### **INTERAGENCY OPERATIONS**

11. **Crew Composition and Organization:** The Agencies to this Agreement will follow the current National Interagency Incident Business Management Handbook (IIBMH); for standards and guidelines pertinent to crews and overhead dispatched and mobilized for incidents outside their respective jurisdictions.
12. **Mobilization:** All interagency firefighting resources will be dispatched in accordance with the Eastern Area Mobilization Guide. The sending agency will arrange transportation to and from the designated mobilization point; or to the incident when reasonable and prudent and authorized by the Eastern Area Coordination Center (EACC).
13. **Duration of Assignment:** Forest Service and State personnel dispatched under this agreement will be available to the receiving unit for a maximum period of 14 days, excluding travel, unless established otherwise at the time of dispatch. The assignment time may be extended up to 21 days, including travel, with the consent of the State Forester or his/her designee. Individual firefighters will not be released from an incident prior to release of the entire crew except when it has been determined by the sending unit and the receiving unit that a personal emergency or hardship exists which justifies the firefighter's release at the receiving agency's expense. Release of individuals, not meeting these criteria, may be at personal expense of the individual.
14. **Equipment Transportation:** The sending Agency will drive, transport or ship any equipment mobilized under this Agreement, unless established otherwise at time of dispatch. Costs for shipping and transportation are reimbursable under this Agreement and will be included on the SF-1034 (Public Voucher for Services Other Than Personal) when appropriate.
15. **Commissary Privileges:** The Agencies will provide incident personnel commissary privileges, when available. Commissary expenditures will be itemized on the individual fire time reports and will be deducted from reimbursement claims. Commissary privileges shall also be provided for personnel hired under the Pay Plan for Emergency Firefighters (AD). Purchases will be deducted on individual fire time reports.

### **REIMBURSEMENT OF INTERAGENCY FIRE RESOURCES**

16. **Suppression / Non-Suppression Billings:** This Agreement establishes the extent of reimbursable services to be furnished by each agency. It provides that salary and wage costs for personnel assigned under this agreement will be at actual cost to the agency.
17. **Billing Estimates and Timeframes:** Each agency will notify the respective headquarters of any reimbursable claims they intend to make and will strive to provide an estimate of the amount involved within 60 days in each reimbursable action. Absent a written extension of time granted by the reimbursing agency, the final itemized claim should be submitted to the reimbursing agency within 120 days of the incident response action. After a final billing has been sent, and if additional costs are identified, a supplemental billing may be issued if agreeable to applicable parties.
18. **Obligation Estimates:** For year-end obligation purposes, each agency will submit to the other within 30 days of written request, an estimate of unpaid obligation figures for the current billing year. All obligations will be submitted by incident name, date and incident number or FEMA mission assignment number (MA).

19. **Damaged Equipment:** Notwithstanding limitations established in the Waiver of Claims (clause #49 of the Master Agreement, as amended); costs for equipment repairs / replacement will be itemized and included in the billing package. (See paragraphs 23 – 24 for billing details)
20. **Federal Billings:** The Forest Service will submit bills for their reimbursable costs to the State whenever the State is the protecting Agency and a billing is appropriate. Reimbursement will be made payable to: USDA, Forest Service, C/O Citibank, P.O. Box 894183, Los Angeles, CA 90189-4183.
21. **State Billings:**

- **In Support of the Forest Service:** Anytime the State responds in support of the Forest Service or another cooperating State under this Agreement, the State will bill all applicable costs to the Forest Service using Standard Form 1034, (Public Voucher for Services Other than Personal) for reimbursable costs as defined in this Annual Operating Plan. Bills will be sent to USDA Forest Service, Fire & Aviation Management, Attention: Sandra Williams, US Forest Service, 4 Farm Colony Drive, Warren, PA 16365-5206.

In the event electronic funds transfers cannot be made, reimbursements to the State will be made payable to: Minnesota Department of Natural Resources; and mailed to Minnesota DNR, Office of Management and Budget, 500 Lafayette Road, St. Paul, MN 55155.

- **In Support of other Federal Jurisdictions (DOI):** When an established process for billing is in place between the state and the jurisdictional agency, the State's billing package will be forwarded to the jurisdictional agency. In the absence of an established billing process or agreement, the State's billing package will be sent to the appropriate jurisdictional Incident Business Lead at the National Interagency Fire Center (NIFC), e.g. NPS, FWS, BIA, BLM, located at 3833 South Development Avenue, Boise, ID 83705.

21. **FEMA Incident Billings:** The Agencies to this Agreement may bill for activities not related to fire suppression within their authorities. For example, within existing legal authorities, this may include reimbursement to states for expenses incurred for dispatching resources in response to non-wildfire emergencies.

22. **Electronic Funds Transfer (EFT):** The State shall designate a financial institution or an authorized payment agent through which a federal payment may be made in accordance with U.S. Treasury Regulations, Money and Finance at 31 CFR 208, which requires that federal payments are to be made by EFT to the maximum extent possible. A waiver may be requested and payments received by check by certifying in writing that one of the following situations apply:

- The payment recipient does not have an account at a financial institution.
- EFT creates a financial hardship because direct deposit will cost the payment recipient more than receiving the check.

In order to receive EFT payments, the State shall register in the Systems for Award Management (SAM) at [www.sam.gov](http://www.sam.gov) and follow the instructions on line. For assistance, contact the SAM Assistance Center at 866-606-8220.

23. **Billing Content:** The billing Agency will submit an invoice, **itemized by incident number** (P-code or State fire number for fire incidents; and/or F-code for FEMA incidents) Invoices shall include the following information:
- Standard Form 1034 with preparer's name, **signature** and date
  - Cooperator name (Payee), address, phone number
  - Dates for which the services are being billed
  - **Incident names and locations**
  - Invoice or bill number (Voucher number)
  - Cooperative Agreement number
  - Resource order numbers
  - Summary cost data (spreadsheet) for the amount being billed
24. **Summary Source Data:** Summary cost data will include, but is not limited to, a list of personnel expenses including base pay, overtime and travel and a listing by vendor name and amount spent for supplies and services procured.
25. **Supporting Documentation for Fire Bills:** Generally, cost source documents (individual timesheets, receipts for services and supplies procured, etc.) will not be required unless summary cost data is disputed, or another agency requires source documents (i.e. FEMA).
26. **Reimbursable Costs & Services:** All costs associated with operations and support, ordered on a resource order or project plan by or for an incident or project within the provisions of this Agreement shall be reimbursable. Such costs may include, but are not limited to, the following:
- Agency costs for transportation, salary, benefits, overtime, hazard pay, and per diem of individuals assigned to the incident or project.
  - Additional costs for dispatching, warehousing or transportation services supporting a resource order.
  - Costs for refurbishing, cleaning, repairs and replacement of fire cache items that are used or expended through this Agreement.
  - Cost of equipment in support of the incident, contract equipment costs and operating costs for agency equipment as documented in this Annual Operating Plan. (see Equipment Costs)
  - Operating supplies for equipment assigned to the incident such as fuel, oil, and equipment repairs.
  - Aircraft, airport fees, and retardant costs.
  - Agency-owned equipment and supplies lost, damaged, or expended by the supporting agency.
  - Cost of reasonable and prudent supplies expended in support of the incident.
  - Charges from the state-provided resources such as inmate crews, National Guard resources; and county and local resources.
  - Rates for equipment as specified on a resource order, when otherwise not specified within this Operating Plan.
  - Billings for State and Forest Service incident assistance may include charges for indirect costs as provided in this Operating Plan.
27. **Indirect Costs:** When indirect cost rates are applied to Federal reimbursements, the Parties agree to the following:
1. If the payment recipient has never received or does not currently have a negotiated indirect cost rate, they are eligible for a de minimis indirect cost rate up to 10% of Modified Total Direct Costs (MTDC). MTDC is defined as all salaries and wages, fringe benefits, materials and supplies, services, travel, and contracts up to the first \$25,000 of each contract.

2. For rates greater than 10%, the payment recipient shall provide either an applicable negotiated indirect cost rate agreement (NICRA) from a cognizant Federal agency, or an indirect cost rate summary in a format that clearly defines the indirect cost rate and MTDC.
  3. The payment recipient must maintain adequate documentation to support the methodology and computation of the indirect cost rate. Documentation must be made available to the Federal agency upon request.
  4. Failure to provide adequate documentation supporting the indirect cost rate could result in disallowed costs and repayment to the Federal agency.
28. **Payment Due:** Whenever this Agreement provides for billing, the agency receiving the bill has an obligation to pay in accordance with the terms of this Agreement. All bills will be paid in accordance with the paying Agency's prompt payment procedures.
29. **Contested Billings:** Written notice that a bill is contested will be mailed to the billing Agency within 60 days of issuance of the final bill and will fully explain the contested items. Contested items will be resolved not later than 60 days following receipt of the written notice. The uncontested portion of the bill will be paid and a new bill will be issued for the contested amount.
30. **Persons Authorized to Administer this Agreement**
1. The Assistant Director of Cooperative Fire Protection or Acting is authorized to act for the Area Director concerning this agreement.
  2. The State Forester or Acting is authorized to act for the State concerning this agreement.
31. **Duration of Operating Plan:** This Operating Plan is executed as of the date of last signature and remains in effect through the duration of the Master Cooperative Wildland Fire Management and Stafford Act Response Agreement, unless modified or superseded. If the current Master Cooperative Agreement is superseded by a new Agreement, this Operating Plan may remain in effect to the extent that it does not conflict with provisions of the new Agreement, but only until such time that all activities and conditions can be incorporated into a new Operating Plan.

32. **Financial Contacts:**

**Minnesota Department of  
Natural Resources**

**Shelly Serich**  
Minnesota Interagency Fire Center  
402 SE 11th St.  
Grand Rapids, MN 55744  
Tel.: (218) 327-4572

**USDA Forest Service, Northeastern  
Area, State and Private Forestry**

**Midori Raymore**  
626 E. Wisconsin Avenue  
Milwaukee, WI 53202  
Tel: (414) 297-1894



*The authority and format of this instrument has been reviewed and approved for signature.*

Milori C Raymore  
Grants and Agreements Specialist

7/10/18  
DATE

OFFICIAL

[Signature]  
KATHLEEN ATKINSON,  
Area Director, NA-S&PF  
DATE 7-10-18  
25

[Signature]  
FORREST BOE  
State Forester  
Department of Natural Resources  
State of Minnesota  
DATE 7/12/18

## 2018 State Equipment Costs

### Minnesota Department of Natural Resources Interagency Assignment Equipment Base Rates

Equipment Type/Size	Base Rate per Hour <sup>(1)</sup>
Engine - Type 4	<b>\$135</b>
Engine - Type 6	<b>\$95</b>
Helitak Vehicle (F550 or Equivalent)	<b>\$50</b>
Dozer - Type 3	<b>\$85</b>
ATV Crawler - Type 2 (Bombardiers larger than J5)	<b>\$110</b>
ATV Crawler - Type 3 (J5, Cross Tracker Posi-track, Track Truck )	<b>\$80</b>
SUPPORT VEHICLE* *Used to haul people, supplies, etc. Charge travel time.	<b>\$50/day + \$.1.10/mile</b>
Crew Carrier – Crew Cab (If Crew Carrier has a slip-on and used by the incident the rate changes to Engine-Type 6)	<b>\$100/day + 2.35/mile</b>
ATV/UTV – 4x4, 6x6 on tracks	<b>\$80/day</b>

Firefighters will be paid under provisions in the Annual Operating Plan of the Agreement, as either State Regular Employees or Federal Emergency Firefighters (AD).

**MINIMUM DAILY RATE** - Equipment will receive a minimum of 8 hours charged per day except for the first and last assigned day, which may be less, depending on hours actually spent on fire and in travel status.

(1) All base rates are wet operating rates. Fuel, oil, tires and other normal maintenance is included.