

Wellhead Protection Partner Grants (Pilot) Policy

From the Board of Water and Soil Resources, State of Minnesota

Version: 1.00

Effective Date: 06/26/2019

Approval: Board Order #19-34

Policy Statement

The purpose of this policy is to provide expectations for Wellhead Protection Partner Grants to facilitate permanent or long-term protection of wellhead protection areas as authorized by Minnesota Session Laws 2015 and 2017 Clean Water Fund Appropriations (ML 2015, 1st Special, Ch. 2, Art. 2, Sec. 7(g) and ML 2017, Ch. 91, Art. 2, Sec. 7(g)) and future similar appropriations.

Reason for this Policy

The Clean Water Fund was established to implement part of Article XI, Section 15, of the Minnesota Constitution, with the purpose of protecting, enhancing, and restoring water quality in lakes, rivers, and streams and to protect groundwater and drinking water sources from degradation.

Minnesota Session Laws 2015 and 2017 appropriated Clean Water funds to BWSR for the following purposes:

...permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d), or for grants to local units of government for fee title acquisition to permanently protect groundwater supply sources on wellhead protection areas or for otherwise assuring long-term protection of groundwater supply sources as described under alternative management tools in the Department of Agriculture's Nitrogen Fertilizer Management Plan, including low nitrogen cropping systems or implementing nitrogen fertilizer best management practices. Priority must be placed on land that is located where the vulnerability of the drinking water supply is designated as high or very high by the commissioner of health, where drinking water protection plans have identified specific activities that will achieve long-term protection, and on lands with expiring Conservation Reserve Program contracts.

This policy establishes the mechanisms for use of those funds as Wellhead Protection Partner Grants, consistent with legislative appropriations.

Wellhead Protection

Three mechanisms have been identified for wellhead protection as funded in ML 2015 and 2017. Two of the three mechanisms, MN Conservation Reserve Enhancement Program (CREP) and Reinvest in Minnesota (RIM) Reserve are established BWSR easement programs that can be implemented for wellhead protection and have previously been authorized through separate BWSR Board action. MN CREP will be utilized first and to the fullest extent possible in the 54 county CREP area for Wellhead Protection Areas (WHPA) where the drinking

water supply is designated as very high or high vulnerability through wellhead protection planning documents. For projects that do not meet CREP requirements, the second option for protection will be to utilize RIM-only easements. The third mechanism, Wellhead Protection Partner Grants, is described by this policy.

Wellhead Protection Partner Grants

The grants will establish perpetual or long-term protection of wellhead protection areas with very high or high vulnerability drinking water supplies where the first two protection methods (state-held easements) are not viable or desirable. The grants will achieve wellhead protection through a grant to a local government partner to protect the wellhead area by easement, fee acquisition, or other long-term (20 year minimum) protection mechanism. This protection mechanism may allow for alternative land uses to protect groundwater while allowing the partner more flexibility than a state-held easement through the CREP or RIM easement programs. Permanent protection mechanisms will be prioritized for funding over non-permanent protection.

1. Applicant Eligibility

Local governments including cities, townships, counties, rural water districts, soil and water conservation districts, watershed districts, joint powers authorities or other governmental units with authority sufficient to meet the program's protection requirements and approved by BWSR will be eligible to apply for Wellhead Protection Partner Grants. Priority will be given to entities that have experience with long-term land protection efforts.

2. Match Requirements

A minimum 10% match is required from non-state funds. State funded loans repaid with non-state funds may be used for the match. The anticipated source(s) for the match shall be identified in the grant proposal.

3. Funding Priorities

Priority for funding will be given to projects that meet the following criteria:

- Be within a delineated WHPA mapped in a Minnesota Department of Health (MDH) approved Wellhead Protection Plan.
- Vulnerability of the drinking water supply has been designated as very high or high by MDH.
- Well(s) monitoring has shown a nitrate concentration of >5.4 mg/l.
- A drinking water protection plan has been completed and contains implementation activities that will achieve long-term protection.
- Lands offered for long-term protection have expiring Conservation Reserve Program contracts.

4. Eligible Activities

The protection mechanism must be identified in the proposal and address the wellhead concern, achieve protection under local authority and be perpetual or long-term. Potential protection mechanisms include, but are not limited to, alternative uses and land use contracts that protect groundwater; fee acquisition or easements held by the local partner; or other perpetual or long-term groundwater protection mechanism proposed by the local government and approved by BWSR. The protection mechanism proposed by the local government must be identified in the grant proposal.

Eligible activities under the grant are payments for land protection including easement payment, pre-title acquisition payments, property acquisition costs, survey, title, recording fees, and vegetation establishment.

The local government (grantee) must provide assurances that the landowner or land occupier will keep the protection in place for the term of protection including a notice of restrictions recorded on the land title by the grantee to protect the State's interest in the property. Additional assurances may include management plans, enforceable contracts, performance bonds, letters of credit, and termination or performance penalties. See also the Projects Assurances section of the Grants Administration Manual.

5. Ineligible Expenses

Ineligible expenses include staff time spent to acquire protection mechanism and improvement costs associated with alternative use proposals that are not directly necessary to meet drinking water protection goals. Staff time can be used to meet the 10% match requirement.

6. Grantee Administration of Clean Water Fund Grants

Grant reporting, fiscal management, and administration requirements are the responsibility of the grantee. All grantees must follow the Grants Administration Manual policy and guidance. All grantees are required to report on the outcomes, activities, and accomplishments of Clean Water Fund grants.

7. BWSR Grant Administration Requirements

BWSR staff is authorized to develop grant agreements, requirements, and processes for work plans, project outcomes reporting, closeouts, and fiscal reconciliations.

In the event there is a violation of the terms of the grant agreement, BWSR will enforce the grant agreement and evaluate appropriate actions, including repayment of grant funds at a rate up to 100% of the grant agreement. Additional programmatic requirements apply, including the BWSR Board Policy on Easement Alterations, if an easement is acquired.

History

Version	Description	Date
0.00	Wellhead Protection Partner Grants (Pilot) Policy- new	June 26, 2019