

Water Quality and Storage Program Policy

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

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Approval: Board Order #

Policy Statement

The Water Quality and Storage Program was established to provide financial assistance to local units of government and tribal governments to control water volume and rates to protect infrastructure, improve water quality and related public benefits, and mitigate climate change impacts. This program is authorized by Minnesota Statute 103F.05.

Reason for the policy

The purpose of this policy is to provide clear expectations for the implementation of grants delivered through this program. More specific requirements or criteria may apply when specified by statute, rule, funding sources, or appropriation language.

Grantees are responsible for the administration and decisions concerning the use of these funds in accordance with applicable Minnesota Statutes, state agency policies, and other applicable laws. BWSR will use grant agreements as contracts for assurance of deliverables and compliance with applicable laws and program policies.

The BWSR Grants Administration Manual provides the primary framework for management of these funds.

Applicant Eligibility

Eligible applicants include municipalities, towns, counties, soil and water conservation districts, watershed districts, or organizations formed for the joint exercise of powers, as defined under section 103B.305, subdivision 5, and includes tribal governments. LGU applicants must operate under a State approved and locally adopted local water management plan, comprehensive watershed management plan, watershed district plan, or soil and water conservation district (SWCD) comprehensive plan.

Match Requirements

A minimum 10% match is required from non-state funds. The anticipated source(s) for the match shall be identified in the grant proposal. Activities listed as ineligible (see below) may not be counted towards match. Match can be provided by a landowner, land occupier (as defined in MN Statute 103C.101), local government or other non-State source and can be in the form of cash or the cash value of services or materials contributed to the accomplishment of grant objectives.

Eligible Activities for Final Design and Construction Grants

Eligible activities must result in a reduction to peak flow rates and/or volumes to demonstrate a decrease in downstream flooding, improvement of water quality or related public benefits, or to mitigate climate change impacts. Grants may include any number of practices, but the practices cumulatively must reduce the peak runoff flow and/or volume at an area of interest (to be determined by the applicant). The area of interest must be identified at the time of application and an explanation provided of the flooding, water quality, or climate vulnerabilities at that location. Pre-project and post-project runoff hydrographs must be provided to quantify the reduction in peak flow rate and/or volume.

Examples of eligible practices include, but are not limited to:

- Ponds without permanent pools (Dry detention ponds)
- Ponds with permanent pools (Wet detention ponds)
- Water and Sediment Control Basins (WASCOBs)
- Wetland Construction or Restorations
- Improvements or retrofits of existing storage areas to increase storage capacity or retention time

Project lifespan must be at least 25-years and the applicant must develop an Operation and Maintenance plan that includes an inspection schedule, expectations for routine maintenance, and a financing system to ensure the design function of the project(s).

Eligible activities also include construction costs, project development, administration and coordination. Technical and engineering assistance necessary for design of these practices is essential and may be included in the project cost.

Payments for land protection including easement payment (temporary, perpetual, or flowage), pre-title acquisition payments, property acquisition costs, survey, title, and recording fees are eligible expenses under this grant. If any of the previous items are included in the application, rates must be approved by the Board of Water and Soil Resources (BWSR) prior to approval of the workplan.

Ineligible Expenses for Final Design and Construction Grants

- Activities that do not demonstrate a reduction in the hydrograph peak or volume at an area of interest.

- Activities that are multi-phase, multi-year storage systems (i.e. – the project must not rely on components that will be constructed at a later time in order to get the reduction in peak flow rates and/or volumes)
- Maintenance or repair of existing structures/storage projects.
- Activities that would negatively affect drinking water.
- Infrastructure installation and upgrades that would be required to meet Municipal Separate Storm Sewer System (MS4) General Permit Requirements for development or redevelopment.

Eligible Activities for Modeling and Conceptual Design Grants

Eligible activities include the modeling of a stream or drainage system and conceptual design of the subsequently selected projects or practices within the modeled watershed. The intent of the proposed sites must be to reduce flooding, improve water quality, or mitigate climate change impacts and they must decrease the peak flow rate of the runoff hydrograph at an area of interest. The area of interest must be identified at the time of application and an explanation provided of the flooding, water quality, or climate vulnerabilities at that location.

Eligible activities include outreach, modeling, grant management, and administration. Technical and engineering assistance necessary for conceptual design of these practices is essential and may be included in the project cost.

Ineligible Activities for Modeling and Conceptual Design Grants

- Modeling of one individual storage practice .
- Model development of a MS Chapter 103E public drainage system that consists of an Improvement. This modeling must be completed before the work plan is approved so that the grant funds will only be used to model the addition of storage on the system.
- Costs such as modeling software fees or development of new modeling software.

Technical Quality Assurance

Grantees must identify the technical assistance provider(s) for the practice or project and their credentials for providing this assistance. The technical assistance provider(s) must have appropriate credentials for practice investigation, design, and construction. Credentials can include conservation partnership Job Approval Authority (JAA), also known as technical approval authority; applicable professional licensure; reputable vendor with applicable expertise and liability coverage; or other applicable credentials, training, and/or experience.

BWSR reserves the right to review the qualifications of all persons providing technical assistance and review the technical project design if a recognized standard is not available. See also the Technical Quality Assurances section of the Grants Administration Manual.

Grant Work Plan and Reporting Requirements

To ensure the success of the program, development of grant work plans, regular reporting of expenditures, and technical assistance and accomplishments are required.

- a. **Grant Execution.** Grant agreement must be executed before work can begin on this grant and all work must occur within the grant period.
- b. **Grant Work Plan.** Work plans shall be developed in eLINK and must be approved before work can begin on this grant. Work plans shall reflect each eligible activity, a description of the anticipated activity accomplishments, and grant and match funding amounts to accomplish each of the activities.
- c. **Grant Reporting.** Descriptions of actual results and financial expenditures for each work plan activity must be reported in eLINK by February 1 of each year.
- d. **Grant Closeout.** Within thirty (30) calendar days of the expiration of each grant agreement or expenditure of all grant funds, whichever occurs first, grantees are required to provide a summary of all work plan accomplishments with grant funding in eLINK.

BWSR Grant Administration Requirements

BWSR staff is authorized to review grant applicant's financial records to establish capacity to successfully manage state grant funds, develop grant agreements, including requirements and processes for work plans, project outcomes reporting, closeouts, and fiscal reconciliations. All grantees must follow the grant agreement and other applicable sections of the Grants Administration Manual.

In the event there is a violation of the terms of the grant agreement, BWSR will enforce the grant agreement and evaluate appropriate actions, up to and including repayment of grant funds at a rate up to 100% of the grant agreement.

History

Version	Description	Date
1.0	Water Quality and Storage Program Policy - new	1/26/22
1.1	Revised to remove the requirement of reduction of peak flow or volume at the HUC12 scale.	1/25/23

Version	Description	Date
2.0	Moved program out of the pilot phase. Added the modeling and conceptual design grant option and updated to current eligible and ineligible activities. Change match requirement.	TBD