

**Grant Program Requirements:  
FY26-27 Natural Resources Block Grants**

**1. Match**

No match is required.

**2. Grant Work Plan**

A work plan is not required.

**3. Eligible Activities**

Grant funds are to be used for the local administration and implementation of the Local Water Management, Subsurface Sewage Treatment Systems, Shoreland, and Wetland Conservation Act programs. Eligible activities include:

- Administration, coordination, and implementation of local programs
- Education, outreach, and other project support activities
- Supplies and equipment necessary for program implementation
- Financial assistance provided for practice implementation
- Technical assistance for practice or program implementation

**Subsurface Sewage Treatment Systems Upgrade grants**

Grant funds are to be used for upgrading eligible subsurface sewage treatment systems (SSTS) and must meet the following criteria for specific projects:

- Fix SSTS that have been deemed Failing to Protect Groundwater or an Imminent Threat to Public Health or Safety (must have been issued a Notice of Noncompliance)
- Funding can only be used for homesteaded single-family homes or duplexes
- Homeowner must be low-income

Grantees may use a portion of the grant funds for work directly related to, and necessary for, administering the grants as approved in the grant award. This amount must not exceed the lesser of \$4,000 or 10% of the distribution received.

**4. Flexible Program Spending**

Grantees have the flexibility to determine the amount of grant to allocate for program administration of the Local Water Management, Wetland Conservation Act, and Shoreland programs. Grantees can use their base allocation(s) from any or all three of these programs as necessary. Each of the programs must still be implemented in accordance with statute, rule or policy. The flexible spending option does not apply to the SSTS grant programs.

**5. Native Vegetation**

Projects that involve vegetation restoration or establishment must use native vegetation and seed and plant sources consistent with BWSR's Native Vegetation Establishment and

Enhancement Guidelines, with the exceptions listed below. Use of plant species on the Minnesota [Noxious Weed List](#) is prohibited for all projects. Non-native species used for projects must not pose a risk to native plant communities. The maximum distance for sources of herbaceous species seed and plants is 200 miles; and for tree and shrubs seed and plants the distance is 300 miles.

### Exceptions

- Non-native, non-invasive perennial crops, hay crops or forage crops may be used:
  - As part of a drinking water protection strategy in a vulnerable or highly vulnerable DWSMA as designated by the Department of Health or in a Township Well Testing high-priority area as determined by the Department of Agriculture;
  - In buffers, borders, grass waterways or other areas likely to be exposed to pesticides or part of agricultural production;
  - For soil stabilization, erosion prevention and carbon sequestration in an agricultural production setting;
  - On fields that will be hayed, grazed or harvested.
- For the exceptions above, if the project area is under 20 acres in size, the exception may be approved by local conservation staff. If the project area is 20 acres or larger, or for any exceptions not listed here, grantees must request approval from the BWSR Grant Manager.
- Cover crops used to improve soil health and/or water quality are allowed without a maximum acreage limit.
- Temporary cover is allowed without a maximum acreage limit when needed to stabilize project sites prior to the construction of structural conservation practices.
- Cultivars of native species may be used in urban stormwater plantings if they accomplish similar or greater ecological functions, help achieve aesthetic goals and do not pose an invasive or other environmental risk.

### 6. Allowable and Unallowable Costs

Allowable costs are costs solely incurred through project activities that are directly related to and necessary for producing the project outcomes described in the work plan. Grantee is required to account for the staff time charged to BWSR grants in order to track the expenditure of grant funds and match to ensure the use of the funds is consistent with applicable State and BWSR requirements.

Unallowable costs include but are not limited to:

- Bad debts, monetary settlements and judgements, late payment fees, and investment management fees
- Donations, fundraising, sponsorships, and acknowledgements
- Entertainment, gifts, prizes, and decorations
- Alcohol
- Interest on loans not authorized under state statute
- Loans of BWSR grant funds

- Lobbying, lobbyists, and political contributions
- Merit awards and bonuses

## 7. Technical Quality Assurance

Practices and projects must meet the following requirements to ensure long-term public benefit:

- **Technical Assistance Provider.** The recipient must designate technical assistance provider(s) that have appropriate credentials for investigation, design, and construction.
- **Practice Standards.** Practices and projects must use appropriate standards for design, construction, effective life, operation, and maintenance.
- **Practice Certification.** Technical assistance provider(s) must certify that the practice or project was installed or constructed in accordance with the applicable plans and specifications, including approved modifications, prior to authorization for payment.
- **Operation and Maintenance.** Technical Assistance Provider(s) must prepare an operation and maintenance (O&M) plan specific to the site and practice(s) implemented.
- **Periodic Practice/Project Inspection.** Inspections shall confirm that the operation and maintenance plan is being followed and the project has not been altered or removed.

## 8. Project and Practice Assurances

A written agreement is required to ensure program requirements are met when installing projects and practices or providing financial assistance to a land occupier. Project and Practice Assurances must include technical and financial obligations and requirements for the installation, operation, and maintenance of the practice or project, including a plan for failures or noncompliance.

## 9. Providing Financial Assistance to Land Occupiers

All BWSR funds used by a recipient to provide financial assistance to a landowner or land occupier requires adequate project assurances.

### **Project Application and Agreements**

Work completed prior to the signing of the agreement is not eligible.

### **Conservation Practice Contract Noncompliance**

Failure to complete, maintain, or repair a conservation practice or unauthorized alteration is considered non-compliance with an executed conservation practice agreement. If the organization discovers noncompliance, they must take action to resolve and notify BWSR.

## 10. Grant Management and Reporting

Eligible activities include grant administration, management, and reporting that are directly related to and necessary for implementing the project or activity associated with the grant. Grantee is required to report on the outcomes, activities, and accomplishments.