

**Grant Program Requirements:**

**FY26 Water Quality and Storage Program – Round 2**

**1. Match**

A non-state match equal to at least 10% of the amount of the grant received is required. The anticipated source(s) for the match shall be identified in the grant work plan. Match can be provided by a landowner, land occupier, private organization, 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. State funded loans repaid with non-state funds may be used for the match. Funds used for match for this program cannot be used as match for any other state grant program. Activities listed as ineligible in Section 4 may not be counted towards match.

**2. Grant Work Plan**

A work plan shall be developed in eLINK and must be approved before execution of the grant agreement. The work plan shall reflect each eligible activity that will be implemented, a description of the anticipated activity outcomes or accomplishments, and grant funding amounts to accomplish each of the activities.

For Design and Construction grants, the work plan must also include plans for long-term maintenance and inspection for the duration of the life of a project

**3. Eligible Activities**

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 hydrograph peak at the area of interest (to be determined by the grantee).

Project lifespan must be at least 25 years, and the grantee 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.

**Design and Construction Grants:**

Eligible activities include; construction costs, project development, grant management and administration, and technical and engineering assistance necessary for design of these practices.

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 (as approved by the Board).

**Modeling and Conceptual Design Grants:**

Eligible activities include; outreach, modeling of a stream or drainage system, grant management and administration, and technical and engineering assistance necessary for 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.

#### 4. Ineligible Activities

##### **Design and Construction Grants:**

- Proposed activities that do not demonstrate a reduction in the hydrograph peak or volume at the 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).
- Drain tile, except for tile outlets required for water and sediment control basins, tile required to make eligible practices function, and tile modification required to move runoff to storage practice, basin, or wetland restoration.
- Ditching, except that required to make eligible practices function.
- Maintenance or repair of existing structures/storage projects.
- Activities that would negatively affect drinking water.
- Activities that are required to meet minimum requirements of law or permit including but not limited to: Buffer Law, Shoreland, GW Protection Rule, WCA, Stormwater and feedlots.
- Infrastructure installation and upgrades that would be required to meet Municipal Separate Storm Sewer System (MS4) General Permit Requirements for development or redevelopment.

##### **Modeling and Conceptual Design Grants:**

- Modeling of one individual storage practice.
- Model development of a 103E system that consists of an Improvement. This modeling must be completed before the grant will be executed 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.

#### 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. Sub-agreements**

Funds may be distributed to partner(s) through the use of sub-agreements. Activities identified in the sub-agreement must fit within the scope of the agreement between BWSR and the recipient and include requirements for fund distribution, implementation, and reporting.

**8. 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.

**9. 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.

**10. Permitting**

The grantee is responsible for obtaining and complying with all permits necessary to execute the project.

**11. 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.

**12. Grant Management and Reporting**

Eligible activities include local 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.