

Grant Program Requirements
FY27 Clean Water Fund Projects and Practices/Drinking Water Projects and Practices Grant Program

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. Activities listed as ineligible under the Activity Eligibility section below may not be counted towards match, except land acquisition and easement costs which can count toward the required match if directly associated with the project and incurred within the grant period. 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.

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.

3. Activity Eligibility

Consistent with the Clean Water Legacy Act (Minnesota Statutes 114D), the primary purpose of grant activities must be to restore, protect, and enhance water quality in lakes, rivers and streams and to protect groundwater and drinking water sources from degradation.

Eligible activities must be consistent with a watershed management plan, comprehensive watershed management plan, county comprehensive local water management plan, soil and water conservation district comprehensive plan, metropolitan local water plan or metropolitan groundwater plan that has been State approved and locally adopted or an approved total maximum daily load study (TMDL), watershed restoration and protection strategy (WRAPS) document, groundwater restoration and protection strategy (GRAPS) document, surface water intake plan, or wellhead protection plan. Local governments may include programs and projects in their grant work plan that are derived from an eligible plan of another local government.

I. General

A. Eligible

1. Project support to advance project implementation such as administrative, technical and engineering expenses, design and cost estimates, site investigations and assessments, construction or installation supervision, and inspections.
2. Equipment necessary for the implementation of water quality practices and programs consistent with the purposes of these funds.
3. Targeted public participation and engagement and other activities directly necessary for the implementation of water quality practices and programs.

4. Grant administration, management, and reporting activities that are directly related to and necessary for implementing the project(s) or activity(ies) associated with the grant.

B. Ineligible

1. Incentive payments.
2. Activities that meet minimum requirements of law or permit including but not limited to: Buffer Law, Drainage Law, Shoreland Law, Wetland Conservation Act, Groundwater Protection Rule, NPDES Construction Stormwater Permit except subsurface sewage treatment systems and feedlots as described below.
3. Development and delivery of educational activities and curriculum that do not support or lead to the implementation of water quality practices.
4. Routine maintenance activities or repair of best management practices, capital equipment and infrastructure within the effective life of existing practices or projects.

II. *Structural and Non-Structural Practices and Activities*

A. Eligible

1. Structural and non-structural practices and activities that supplement or exceed current minimum state standards or procedures for protection, enhancement, and restoration of water quality in lakes, rivers, and streams and to protect groundwater and drinking water sources from degradation.

B. Ineligible

1. Activities that outlet landlocked basins.
2. Stormwater conveyances that collect and move runoff, but do not provide water quality treatment benefit.
3. Replacement, realignment or creation of bridges, trails or roads.

C. Requires Additional BWSR Approval

1. The BWSR grant manager, in consultation with regional managers, must approve the use of grant funds to provide financial assistance for a duration longer than three years for non-structural land management practices prior to work plan approval.

III. *Easements and Fee Title Acquisition*

A. Eligible

1. Easement and fee title land acquisition costs can count toward the required match if directly associated with the project and incurred within the grant period.

IV. *In-Lake or In-Channel Treatment*

A. Eligible

1. Management practices such as carp and goldfish management, lake drawdown, and alum treatments that have been identified as an implementation activity in a TMDL study or watershed restoration and protection strategies report and/or in a comprehensive watershed management plan or metro watershed management plan.

B. Ineligible

1. Water treatment activities with unknown long-term benefits, water quality outcomes, ecological impacts, or effective life including but not limited to harvesting or chemical treatment of aquatic plants, lanthanum, or nanobubble technology.
2. All subsequent applications and treatments after the initial design and implementation. These are considered operation and maintenance expenses and are a project sponsor responsibility.

V. Feedlots**A. Eligible**

1. Eligible practices are limited to: livestock management facilities that were initially registered before January 1, 2005; and livestock operations registered with the Minnesota Pollution Control Agency Database or its equivalent, not classified as a Concentrated Animal Feeding Operation (CAFO), and facilities that are not expanding beyond the current number of registered animal units in accordance with Minnesota Rules Chapter 7020. BWSR reserves the right to deny, postpone or cancel funding where financial penalties related to violations have been imposed on the operator.

B. Additional considerations:

1. Funded projects must comply with standards in MN Rules Chapter 7020 upon completion (i.e., no partial fixes allowed).
2. Eligible practices are limited to best management practices listed by the Minnesota NRCS or other applicable standards as certified by a professional engineer.
3. Practices and project components must meet all applicable local, state, Tribal, and federal standards and permitting requirements.
4. Feedlot roof structures are eligible up to \$100,000 per project with state grant funds and not to exceed 100% of construction costs.
5. Feedlot relocations are eligible, up to \$100,000 per project with state grant funds and not to exceed 100% of the construction costs. The existing eligible feedlot must be permanently closed in accordance with local and state requirements. The existing and relocated livestock waste management systems sites are considered one project for grant funding.

C. Ineligible

1. Slats placed on top of manure storage structures.

VI. *Subsurface Sewage Treatment Systems***A. Eligible**

1. Replacing systems on homesteaded properties identified as an imminent threat to public health or safety or systems that are failing to protect groundwater. Landowners must meet low-income thresholds established by the grant recipient according to USDA Rural Development or similar published criteria.
2. Costs associated with connecting a home into a sewer line that goes to a municipal or community wastewater treatment plant if the criteria in A1 (above) is met.

B. Ineligible

1. Systems regulated by National Pollution Discharge Elimination System or State Disposal System permits (treated surface discharge or systems discharging over 10,000 gallons per day).

C. Requires Additional BWSR Review

1. Community wastewater treatment solutions involving multiple landowners are eligible for funding if they are listed on the MPCA's Project Priority List (PPL) and have a Community Assessment Report (CAR) or facilities plan (Minn. Rule 7077.0272).

VII. *Drainage Systems and Drainage Management***A. Eligible**

1. Funds can be used as an external source of funding for Minnesota Statutes §103E.011 Subd. 5 to facilitate multi-purpose drainage management practices with a primary

purpose of improving water quality by reducing erosion and sedimentation or excess nutrient delivery and which may provide secondary benefits of reducing peak flows and flooding while protecting drainage system efficiency and reducing drainage system maintenance.

B. Ineligible

1. Drain tile, except for tile outlets required for water and sediment control basins, tile required to make eligible drainage water management practices function, tile required to collect and move runoff to a treatment system, and dense pattern tile to replace open tile inlet(s).
2. Ditching except if needed for the creation of a storage and treatment wetland restoration.
3. Back-flow preventing flap gates on side inlet structure pipes where a system-wide analysis has not been completed.
4. Continuous berms greater than an average of 3 feet high (above existing ground) along Minnesota Statutes 103E drainage ditches.
5. Components or activities otherwise required by Minnesota Statutes 103E Drainage Law.

VIII. *Water Monitoring and Conservation*

A. Ineligible

1. Water quality monitoring including such as, but not limited to, routine, baseline, diagnostic, long-term trend, or effectiveness monitoring. This includes both surface and groundwater monitoring activities.
2. Municipal drinking water supply facilities or individual drinking water treatment systems.
3. Household water conservation appliances and water fixtures.

IX. *Drinking Water (Drinking Water Projects and Practices Grants only)*

A. Eligible

1. Private well testing and cost of lab analysis for the following contaminants: coliform bacteria, nitrate, arsenic, lead and manganese via clinics/events/in office for the purpose of well user awareness of their drinking water quality.

B. Ineligible

1. Projects that are not primarily focused on protecting the drinking water source of concern or minimizing the contaminant sources/risks impacting the drinking water source of concern.
2. Streambank restoration and stabilization projects.
3. Wells that must be sealed as part of state or local enforcement of State Well Code requirements. Consultation with MDH staff (<https://www.health.state.mn.us/communities/environment/water/docs/swpstafmap.pdf>) is strongly advised if uncertain of the regulatory status.

X. Conditions that apply to all structural and non-structural activities

Effective Life: All structural practices must be designed and maintained for a minimum effective life of ten years for best management practices and 25 years for capital improvement practices. The beginning date for a practice's effective life is the same date final payment is approved and the project is considered complete. Where questions arise under this section, the effective lifespan of structural practices and projects shall be defined by current and acceptable design standards or criteria.

Financial assistance is limited to flat rate payments and percent-based payments. Flat rate financial assistance must be reasonable and justifiable, and supported by grant recipient policy (and sub-recipient policy, if applicable). Financial assistance for percent-based payments must not result in grantee financial assistance agreements paying greater than 100% of the cost of any activity. BWSR may review and/or advise the grantee regarding financial assistance rates.

4. 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 (found at <https://bwsr.state.mn.us/native-vegetation-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.

5. Allowable and Unallowable Costs

Allowable costs are those 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

6. 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.

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. Projects 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.

Funds repaid to a grantee from a landowner or other land occupier who has failed to maintain a practice for its effective life must be reallocated to a local cost share program or project account consistent with Minnesota Statutes Chapter 114D.50, less the administrative cost of the grantee. The grantee board is the authority and has the responsibility to approve the expenditure of funds within their own organization. The approval or denial of expenditures of funds must be documented in the Grantee Board's meeting minutes.

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 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.