



Date: June 18, 2015

To: Board of Water and Soil Resources' Members, Advisors, and Staff

From: Dave Weirens
Assistant Director, Programs and Policy

Re: Supplemental Meeting Information – June 24, 2015

The Board of Water and Soil Resources (BWSR) Grants Program and Policy Committee met on June 17, 2015 and considered 5 items that are being forwarded for Board consideration on June 24. These items are included on the Board agenda you received via email June 16, 2015 and each are recommended for Board adoption. Enclosed with this memo is supporting information for each of these items that reflects the Committee recommendation.

- 1. Proposed FY2016 Natural Resources Block Grant.** The 2015 Legislature has appropriated funding for the FY '16 Natural Resources Block Grant (NRBG) to provide assistance to local governments to implement state natural resource programs. These programs are: Comprehensive Local Water Management, the Wetland Conservation Act, the DNR Shoreland Management, and the MPCA Subsurface Sewage Treatment Systems.
- 2. Proposed SWCD Programs and Operations Grant Allocations.** The 2015 Legislature has appropriated funding for the FY '16 SWCD Programs and Operations Grants; Conservation Delivery, Easement Delivery, and Non Point Engineering Assistance, and Cost Share Program.
- 3. FY16 Clean Water Fund (CWF) Policy and Program Authorization.** The FY 16 Clean Water Fund Competitive Grants Program includes three BWSR grant programs and Minnesota Department of Agricultural AgBMP loans and is proposed to have an application period from July 6 to August 28. The application scoring process will be conducted by staff from DNR, MDA, MDH, PCA and BWSR as has been the case in previous years.
- 4. FY16 Farm Bill Assistance Program Grants.** The Farm Bill Assistance Program provides funds to SWCDs to hire staff to accelerate implementation of the Farm Bill as well as other state and federal conservation projects that involve grasslands and wetlands. The FY16 Farm Bill Assistance Program is expected to be funded from several revenue sources, chief among them, the Legislative-Citizens Commission on Minnesota Resources.
- 5. Grants Noncompliance Policy.** BWSR staff have revised the Noncompliance chapter in the Grant Administration Manual to simplify BWSR's noncompliance policy and procedure, to align it with the procedure to be followed when noncompliance is noted during a grant verification site visit, and to clarify the consequences of noncompliance which can include a repayment or penalty.



BOARD MEETING AGENDA ITEM

AGENDA ITEM TITLE: Fy '16 Natural Resources Block Grant

Meeting Date: June 24, 2015

Agenda Category: Committee Recommendation New Business Old Business

Item Type: Decision Discussion Information

Section/Region: Land & Water Section

Contact: Wayne Zellmer

Prepared by: Wayne Zellmer

Reviewed by: Grants Program & Policy Committee(s)

Presented by: Wayne Zellmer

Audio/Visual Equipment Needed for Agenda Item Presentation

Attachments: Resolution Order Map Other Supporting Information

Fiscal/Policy Impact

- None
- Amended Policy Requested
- New Policy Requested
- General Fund Budget
- Capital Budget
- Outdoor Heritage Fund Budget
- Clean Water Fund Budget

Other: _____

ACTION REQUESTED

Approval of proposed '16 NRBG allocations

LINKS TO ADDITIONAL INFORMATION

SUMMARY (*Consider: history, reason for consideration now, alternatives evaluated, basis for recommendation*)
 The 2015 Legislature has appropriated funding for the FY '16 Natural Resources Block Grant (NRBG) to provide assistance to local governments to implement state natural resource programs. These programs are: Comprehensive Local Water Management, the Wetland Conservation Act, the DNR Shoreland Management, and the MPCA Subsurface Sewage Treatment Systems. The Grants Program & Policy Committee is recommending the Board award NRBG funds to counties.

PROPOSED FY 2016 NATURAL RESOURCES BLOCK GRANT

The Natural Resources Block Grant (NRBG) provides assistance to local governments to implement state natural resource programs. These programs are: Comprehensive Local Water Management, the Wetland Conservation Act, the DNR Shoreland Management, and the MPCA/BWSR Subsurface Sewage Treatment Systems.

The NRBG is a composite base grant generally formulated to reflect need/activity of these programs in all counties. This grant is not competitive and all counties are eligible for any or all of the five grant program components.

FUNDING

The 2015 Legislature in 1st Special Session, Chapter 4, Article 3, Section 4, appropriated:

\$3,423,000 the first year and \$3,423,000 the second year are for natural resources block grants to local governments. Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount as specified by Minnesota Statutes, section 103B.3369.

\$3.423 M (General Fund)

1. Local Water Management	\$1.139 M
2. Wetland Conservation Act	\$1.906 M
3. DNR Shoreland	\$.398 M

The Grants Program & Policy Comm. is proposing that Local Governmental Units have the flexibility of determining the amount of grant *and* required match of these three Programs, to allocate to each of their programs locally*. This change will provide needed spending flexibility for yearly fluctuations in workload and program activity in counties and SWCDs. The basis for determining match will not change.

*New for FY '16

4. MPCA Subsurface Sewage Treatment Systems (SSTS)

(Funding for this Program is appropriated directly to the MPCA and then transferred to BWSR. Allocations are yet to be determined by MPCA.)

SELECTED PROGRAM HIGHLIGHTS

1. Local Water Management - \$1,139,152

This component is for implementing comprehensive local water plans. For FY '16, the Board is requiring a local levy match or cash equivalent that will generate \$1.5 M on a statewide basis. This individual county amount is determined from a county's equalized taxable net tax capacity,

as determined by the Dept. of Revenue. Counties must have a BWSR approved locally adopted comprehensive local water plan.

2. Wetland Conservation Act - \$1,906,479

This component is for the local administration of the WCA. A local 1:1 match is required. The grant amount is formula derived from a base amount of county WCA activity. This formula was approved by BWSR at their April 2003 Meeting. The formula includes the following factors:

- Number of landowner contacts resulting in mitigation or replacement
- Number of cease and desist orders & restoration orders issued
- Change in population
- Amount of wetlands on non-public lands
- Amount of poorly drained soils on non-public lands
- Amount of shoreland on non-public lands

Of this amount, SWCDs are entitled to receive at least 15% or \$5,000, whichever is greater, for performing mandated WCA activities.

3. DNR Shoreland - \$398,332

This component is for the administration of state approved Shoreland management programs. It is administered at the state level by the DNR. A local 1:1 match is required. The grant amount is derived from a base estimated amount of county Shoreland activity based on:

- Shoreline miles of lakes and rivers
- Amount of private lands
- Population

4. MPCA County Subsurface Sewage Treatment Systems Program - \$XXXXXXXX

All counties are required to pass ordinances regulating SSTS countywide. All counties that have enacted countywide ordinances and have a BWSR approved locally adopted comprehensive local water plan are eligible to receive this grant. No local match is required. Grant amount of \$XXXXXX is determined by equal county allocations.

RECOMMENDATION

The Grants Program & Policy Committee recommends approval of the Proposed FY '16 Natural Resources Block Grant allocations as listed on the attached spreadsheet *PROPOSED FY '16 NATURAL RESOURCES BLOCK GRANTS*.

NOTE: Individual county allocation amounts for MPCA's County Subsurface Sewage Treatment Systems Program will be provided to the Board as an informational item when finalized.

PROPOSED FY '16 NATURAL RESOURCES BLOCK GRANTS

COUNTY	CLWM	WCA	DNR	MPCA	Total		
	PROGRAM GRANT	PROGRAM GRANT	SHORELAND GRANT	SSTS GRANT			
AITKIN	\$13,888	\$33,240	\$11,004	TBD	\$58,132		
ANOKA SWCD	\$8,094	\$63,191	\$2,615	TBD	\$73,900		
BECKER	\$13,071	\$24,237	\$10,956	TBD	\$48,264		
BELTRAMI	\$13,688	\$64,600	\$5,616	TBD	\$83,904		
BENTON	\$13,271	\$31,598	\$3,352	TBD	\$48,221		
BIG STONE	\$15,711	\$8,777	\$2,744	TBD	\$27,232		
BLUE EARTH	\$10,023	\$18,178	\$3,309	TBD	\$31,510		
BROWN	\$13,633	\$8,778	\$2,729	TBD	\$25,140		
CARLTON	\$13,349	\$22,507	\$4,006	TBD	\$39,862		
CARVER	\$8,094	\$31,599	\$2,668	TBD	\$42,361		
CASS	\$10,502	\$44,766	\$10,915	TBD	\$66,183		
CHIPPEWA	\$14,881	\$8,778	\$2,678	TBD	\$26,337		
CHISAGO	\$11,243	\$27,700	\$5,043	TBD	\$43,986		
CLAY	\$12,673	\$16,447	\$3,004	TBD	\$32,124		
CLEARWATER	\$15,256	\$19,909	\$3,227	TBD	\$38,392		
COOK	\$14,832	\$12,985	\$4,281	TBD	\$32,098		
COTTONWOOD	\$14,844	\$8,778	\$2,828	TBD	\$26,450		
CROW WING	\$8,094	\$38,088	\$19,515	TBD	\$65,697		
DAKOTA	\$8,094	\$52,804	\$2,668	TBD	\$63,566		
DODGE	\$14,484	\$16,444	\$2,729	TBD	\$33,657		
DOUGLAS	\$12,077	\$21,641	\$8,717	TBD	\$42,435		
FARIBAUT	\$14,550	\$8,778	\$2,790	TBD	\$26,118		
FILLMORE	\$14,278	\$8,778	\$2,746	TBD	\$25,802		
FREEBORN	\$13,120	\$8,778	\$3,202	TBD	\$25,100		
GOODHUE	\$9,433	\$16,447	\$2,828	TBD	\$28,708		
GRANT	\$15,503	\$13,850	\$3,118	TBD	\$32,471		
HENNEPIN	\$8,094	\$57,133	\$0	TBD	\$65,227		
HOUSTON	\$14,699	\$12,985	\$2,780	TBD	\$30,464		
HUBBARD	\$13,245	\$25,103	\$8,605	TBD	\$46,953		
ISANTI	\$13,251	\$25,103	\$4,085	TBD	\$42,439		
ITASCA	\$10,447	\$44,148	\$10,311	TBD	\$64,906		
JACKSON	\$14,717	\$8,778	\$3,072	TBD	\$26,567		
KANABEC	\$15,071	\$25,103	\$4,173	TBD	\$44,347		
KANDIYOHI	\$12,023	\$21,641	\$6,890	TBD	\$40,554		
KITSON	\$15,279	\$16,447	\$2,701	TBD	\$34,427		
KOOCHICHING	\$15,025	\$28,913	\$2,777	TBD	\$46,715		
LAC QUI PARLE	\$15,453	\$8,778	\$2,682	TBD	\$26,913		
LAKE	\$14,736	\$16,447	\$4,707	TBD	\$35,890		
LAKE OF THE WOODS	\$15,809	\$33,760	\$3,563	TBD	\$53,132		
LE SUEUR	\$13,501	\$16,447	\$5,017	TBD	\$34,965		
LINCOLN	\$15,488	\$8,778	\$2,824	TBD	\$27,090		
LYON *	\$13,689	\$8,778	\$2,793	TBD	\$25,260		
MCLEOD	\$12,642	\$16,447	\$3,048	TBD	\$32,137		
MAHNOMEN	\$15,838	\$12,985	\$3,428	TBD	\$32,251		
MARSHALL	\$14,993	\$20,308	\$2,668	TBD	\$37,969		
MARTIN	\$13,697	\$8,778	\$3,085	TBD	\$25,560		
MEEKER	\$13,990	\$19,044	\$4,831	TBD	\$37,865		
MILLE LACS	\$14,361	\$22,507	\$4,905	TBD	\$41,773		
MORRISON	\$13,609	\$30,298	\$4,025	TBD	\$47,932		

PROPOSED FY '16 NATURAL RESOURCES BLOCK GRANTS

COUNTY	CLWM	WCA	DNR	MPCA	Total		
	PROGRAM GRANT	PROGRAM GRANT	SHORELAND GRANT	SSTS GRANT			
MOWER	\$13,047	\$12,985	\$3,330	TBD	\$29,362		
MURRAY	\$15,050	\$8,778	\$3,286	TBD	\$27,114		
NICOLLET	\$13,156	\$16,447	\$2,736	TBD	\$32,339		
NOBLES	\$14,402	\$8,778	\$2,715	TBD	\$25,895		
NORMAN	\$15,541	\$12,985	\$2,677	TBD	\$31,203		
OLMSTED	\$8,094	\$25,103	\$3,213	TBD	\$36,410		
OTTER TAIL	\$9,824	\$59,729	\$18,106	TBD	\$87,659		
PENNINGTON	\$15,341	\$16,447	\$2,890	TBD	\$34,678		
PINE	\$13,855	\$34,626	\$6,018	TBD	\$54,499		
PIPESTONE	\$15,247	\$8,778	\$2,668	TBD	\$26,693		
POLK	\$13,468	\$21,641	\$3,527	TBD	\$38,636		
POPE	\$15,095	\$15,581	\$4,336	TBD	\$35,012		
RAMSEY CD	\$8,094	\$16,677	\$0	TBD	\$24,771		
RED LAKE	\$15,857	\$12,985	\$2,931	TBD	\$31,773		
REDWOOD	\$14,472	\$10,387	\$2,668	TBD	\$27,527		
RENVILLE	\$14,047	\$8,778	\$2,716	TBD	\$25,541		
RICE	\$10,457	\$24,238	\$4,274	TBD	\$38,969		
ROCK	\$15,175	\$8,778	\$2,668	TBD	\$26,621		
ROSEAU	\$15,131	\$24,238	\$2,752	TBD	\$42,121		
ST. LOUIS	\$8,094	\$75,657	\$20,339	TBD	\$104,090		
SCOTT	\$8,094	\$41,551	\$2,668	TBD	\$52,313		
SHERBURNE	\$8,094	\$31,599	\$4,971	TBD	\$44,664		
SIBLEY	\$14,615	\$13,452	\$2,755	TBD	\$30,822		
STEARNS	\$8,094	\$45,879	\$9,185	TBD	\$63,158		
STEELE	\$12,460	\$12,118	\$2,925	TBD	\$27,503		
STEVENS	\$15,305	\$8,778	\$2,783	TBD	\$26,866		
SWIFT	\$15,051	\$12,118	\$2,799	TBD	\$29,968		
TODD	\$14,676	\$21,641	\$5,033	TBD	\$41,350		
TRAVERSE	\$15,585	\$8,778	\$2,861	TBD	\$27,224		
WABASHA *	\$14,177	\$12,118	\$16,972	TBD	\$43,267		
WADENA	\$15,390	\$19,909	\$3,146	TBD	\$38,445		
WASECA	\$14,271	\$12,118	\$3,067	TBD	\$29,456		
WASHINGTON	\$8,094	\$41,551	\$2,668	TBD	\$52,313		
WATONWAN	\$15,108	\$8,778	\$2,788	TBD	\$26,674		
WILKIN	\$15,232	\$8,778	\$2,685	TBD	\$26,695		
WINONA	\$11,847	\$12,118	\$2,706	TBD	\$26,671		
WRIGHT	\$8,094	\$42,416	\$9,528	TBD	\$60,038		
YELLOW MEDICINE	\$15,175	\$8,778	\$2,682	TBD	\$26,635		
TOTALS	\$1,139,152	\$1,906,479	\$398,332	\$TBD	\$3,443,963		

* WABASHA COUNTY INELIGIBLE TO RECEIVE THEIR GRANTS UNTIL THEY HAVE A COMPREHENSIVE PLAN.

* LYON COUNTY ALLOCATIONS ARE WITHHELD UNTIL REPORTING REQUIREMENTS ARE MET.



Board Resolution # _____

FY '16 Natural Resources Block Grant Authorization

WHEREAS, the Natural Resources Block Grant (NRBG), administered by the Board of Water and Soil Resources (BWSR), provides assistance to local governments to implement the state natural resource programs of Comprehensive Local Water Management, the Wetland Conservation Act, the DNR Shoreland Management, and the MPCA Subsurface Sewage Treatment Systems (SSTS); and,

WHEREAS, the Laws of Minnesota for 2015, 1st Special Session, in Chapter 4, Article 3, Section 4, appropriated, LWM, WCA, and DNR Shoreland FY '16 Natural Resources Block Grant funds to BWSR; and,

WHEREAS, the MPCA will transfer to BWSR funds for their '16 SSTS Program to be allocated with the '16 NRBG; and,

WHEREAS, the Grants Program & Policy Committee reviewed the proposed '16 NRBG allocations on June 17, 2015.

NOW THEREFORE BE IT RESOLVED, the BWSR hereby authorizes staff to allocate individual grants amounts to counties meeting the NRBG Program requirements, as indicated on the attached spreadsheet *PROPOSED FY'16 NATURAL RESOURCES BLOCK GRANTS*, for grant programs funded by BWSR appropriations, as determined by the BWSR and DNR, and totaling:

LWM	\$1,139,152
WCA	\$1,906,479
DNR Shoreland	\$398,332

AND, BE IT FURTHER RESOLVED, for Local Water Management, Wetland Conservation Act, and DNR Shoreland Programs, Local Governmental Units have the flexibility of determining the amount of grant and required match of these three BWSR Programs, to allocate to each of their programs locally;

AND, BE IT FURTHER RESOLVED, the BWSR hereby authorizes staff to allocate individual grants amounts to counties, for funds appropriated to and allocations determined by the MPCA, for the MPCA SSTS Program Grant.

Brian Napstad, Chair
Board of Water and Soil Resources

Date: _____

Attachment: *PROPOSED FY'16 NATURAL RESOURCES BLOCK GRANTS*



BOARD MEETING AGENDA ITEM

AGENDA ITEM TITLE:

Fy '16 Swcd Programs And Operations Grants Allocations

Meeting Date: June 24, 2015
Agenda Category: [X] Committee Recommendation [] New Business [] Old Business
Item Type: [X] Decision [] Discussion [] Information
Section/Region: Land and Water Section
Contact: Wayne Zellmer
Prepared by: Wayne Zellmer
Reviewed by: Grants Program and Policy Committee(s)
Presented by: Wayne Zellmer

[] Audio/Visual Equipment Needed for Agenda Item Presentation

Attachments: [X] Resolution [] Order [X] Map [X] Other Supporting Information

Fiscal/Policy Impact

- [] None [X] General Fund Budget
[] Amended Policy Requested [] Capital Budget
[] New Policy Requested [] Outdoor Heritage Fund Budget
[] Other: [] Clean Water Fund Budget

ACTION REQUESTED

Approval of proposed FY '16 SWCD Programs and Operations Grants Allocations.

LINKS TO ADDITIONAL INFORMATION

SUMMARY (Consider: history, reason for consideration now, alternatives evaluated, basis for recommendation)

The 2015 Legislature has appropriated funding for the FY '16 SWCD Programs and Operations Grants; Conservation Delivery, Easement Delivery, and Non Point Engineering Assistance, and Cost Share Program. The Grants Program & Policy Committee is recommending the Board adopt the SWCD and Nonpoint Engineering Assistance Area allocations.

PROPOSED FY '16 SWCD PROGRAMS and OPERATIONS GRANTS, NPEA ALLOCATIONS

Conservation Delivery	\$1.765 M
Easement Delivery	\$.291 M
Non Point Engineering Assistance	<u>\$1.060 M</u>
	\$3.116 M

The 2015 Legislature in 1st Special Session, Chapter 4, Article 3, Section 4, appropriated: \$3,116,000 the first year and \$3,116,000 the second year are for grants to soil and water conservation districts for general purposes, nonpoint engineering, and implementation of the reinvest in Minnesota reserve program.

Conservation Delivery Grants - \$1,765,001

Conservation Delivery Grants provide each Soil and Water Conservation District with funds for the general administration and operation of the district. These administrative and operational costs include paying for the costs of: employing staff, office space, transportation, postage and utilities, and supervisors' compensation and expenses.

Grant amounts are identical to FY '15 allocations, and are listed on the attachment *PROPOSED FY '16 SWCD PROGRAMS and OPERATIONS GRANTS*.

Easement Delivery Grants - \$290,997

This grant amount is to assist each SWCD with their site inspection costs and other miscellaneous management activities associated with the easements in their county. These activities include ownership changes, staking boundaries, conservation plan revisions, and assisting landowners with ongoing maintenance of installed conservation practices.

The BWSR currently holds 6,130 conservation easements on 249,586 acres throughout the state. SWCDs range from a low of 0 easements in 9 SWCDs, to a high of 460 easements in Redwood SWCD. The grant amount for FY '16 is based on \$47.47 per easement.

Non Point Engineering Assistance - \$1,060,000

The Non Point Engineering Assistance (NPEA) Grants are allocated annually to the NPEA (TSA) Joint Powers Boards for the purpose of providing technical assistance to landowners to apply conservation practices.

This Grant Program is proposed be implemented according to the August 2008 BWSR adopted *CTAC Short-Term Consensus Recommendation to Address Structure and Financial Challenges of the NPEA Program Proposed Clarifications by Recommendations Work Group*

The following policy from this Recommendation directs the FY '16 allocations as follows:

1. \$70,000 per 1 FTE engineer (TSA staff or contracted)
2. \$50,000 per 1 FTE technician (TSA staff or contracted)
3. Maximum annual grant amount for staff or contracted engineering services = \$120,000 per TSA. If less than the maximum is requested by one or more TSAs, the difference is split equally among all TSAs.
4. Additional \$5,000 per Host and/or Fiscal Agent SWCD (up to 2 Host SWCDs per TSA). The TSA decides how to distribute between Host and Fiscal Agent SWCD and Host-only SWCD.
5. 1 Fiscal Agent SWCD per TSA must be a Host SWCD, if the TSA has staff.
6. In order to help develop and maintain consistency across TSAs, the remaining state funding (estimate \$40,000/year, depending on number of Host SWCDs statewide) is used for NPEA staff training, computer hardware, software, and survey equipment and associated costs. This is based on an annual plan developed by NPEA staff and BWSR and coordinated with TSAs prior to grant allocations for current fiscal year.
7. Minimum 10% cash local share, from other than NPEA grant \$, for engineering assistance in the TSA.

Local share does not include in-kind services, but can include local, other state and federal funding for shared technical assistance to and through the TSA SWCDs, such as:

- Fees for services (from landowners, or other sources)
- Member SWCD cash contributions
- Federal TSP funding
- Federal grant funds
- Other state programs
- Gifts and donations

FY '16 NPEA Grants are proposed to be allocated according to the Board adopted policy as follows:

NPEAP Area	Base Grant	Host/Fiscal Agent SWCD	Equipment	Total Grant
1	\$120,000	\$10,000	\$20,000	\$150,000
2	\$120,000	\$5,000	\$0	\$125,000
3	\$120,000	\$10,000	\$0	\$130,000
4	\$120,000	\$5,000	\$0	\$125,000
5	\$120,000	\$10,000	\$0	\$130,000
6	\$120,000	\$5,000	\$20,000	\$145,000
7	\$120,000	\$10,000	\$0	\$130,000
8	\$120,000	\$5,000	\$0	\$125,000
TOTAL				\$1,060,000

The legislature requires that any SWCD receiving these funds shall maintain a Web page that publishes, at a minimum, its annual report, audit, annual budget, and meeting notices and minutes.

PROPOSED FY'16 SWCD COST SHARE GRANTS - \$1,196,499

The 2015 Legislature in 1st Special Session, Chapter 4, Article 3, Section 4, (2) appropriated:

(2) \$1,200,000 each year is for soil and water conservation district cost-sharing contracts for perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices;

The purpose of this program is to provide grants to SWCDs so they can help local landowners or land occupiers offset the costs of installing conservation practices that protect and improve water quality by controlling soil erosion and reducing sedimentation. As in the previous biennium, accompanying legislation;

Notwithstanding Minnesota Statutes, section 103C.501, the board may shift cost-share funds in this section and may adjust the technical and administrative assistance portion of the grant funds to leverage federal or other nonstate funds or to address high-priority needs identified in local water management plans or comprehensive water management plans.

also allows SWCDs, to use all or part of their allocation for technical assistance, when the following proposed conditions exist:

1. Other non-state funds will be leveraged and they couldn't do the project otherwise.
Or,
2. Funds are used on a project(s) that is State Cost Share Program or EQIP eligible and their 2014 Financial Report indicates less than an 18-month fund balance.
And,
3. Board Conservationist approval.

Recommendation

The Grants Program & Policy Committee is requesting approval of these FY '16 allocations for the:

Conservation Delivery Grants	Easement Delivery Grants,
Non-Point Engineering Assistance Grants	State Cost Share Base Grants

H:16SWCD

PROPOSED FY '16 SWCD PROGRAMS and OPERATIONS GRANTS

	\$1.765 M	\$1.200 M	\$291 M
	CONSERVATION	COST	EASEMENT
SWCD	DELIVERY	SHARE	DELIVERY
AITKIN	\$20,212	\$4,141	\$142
ANOKA	\$20,765	\$11,107	\$0
BECKER	\$19,026	\$26,044	\$1,044
BELTRAMI	\$26,376	\$10,122	\$332
BENTON	\$19,224	\$11,169	\$1,139
BIG STONE	\$18,037	\$6,550	\$1,851
BLUE EARTH	\$18,868	\$17,309	\$11,251
BROWN	\$18,947	\$14,757	\$8,640
CARLTON	\$18,670	\$8,001	\$190
CARVER	\$19,698	\$16,673	\$3,133
CASS	\$18,275	\$8,347	\$475
CHIPPEWA	\$18,947	\$11,213	\$8,213
CHISAGO	\$19,737	\$8,844	\$380
CLAY	\$19,263	\$16,468	\$3,608
CLEARWATER	\$18,750	\$7,506	\$142
COOK	\$18,196	\$10,142	\$0
COTTONWOOD	\$18,947	\$14,091	\$9,542
CROW WING	\$18,354	\$9,607	\$1,709
DAKOTA	\$21,240	\$22,054	\$237
DODGE	\$19,343	\$9,908	\$665
DOUGLAS	\$20,172	\$16,410	\$5,269
FARIBAULT	\$19,343	\$12,651	\$8,782
FILLMORE	\$20,133	\$24,289	\$1,899
FREEBORN	\$19,145	\$16,482	\$5,317
GOODHUE	\$20,054	\$25,855	\$3,228
GRANT	\$19,026	\$11,332	\$1,899
HENNEPIN COUNTY	\$25,930	\$13,392	\$1,282
HUBBARD	\$18,157	\$7,761	\$190
ISANTI	\$20,172	\$6,050	\$285
ITASCA	\$18,828	\$6,931	\$142
JACKSON	\$18,314	\$11,769	\$5,792
KANABEC	\$18,710	\$9,607	\$332
KANDIYOHI	\$19,501	\$14,294	\$8,830
KITTSOON	\$19,184	\$9,607	\$1,187
KOOCHICHING	\$18,472	\$10,142	\$0
LAC QUI PARLE	\$18,750	\$20,521	\$8,592
LAKE	\$18,314	\$10,142	\$0
LAKE OF THE WOODS	\$18,037	\$10,142	\$0

PROPOSED FY '16 SWCD PROGRAMS and OPERATIONS GRANTS

	\$1.765 M	\$1.200 M	\$.291 M
	CONSERVATION	COST	EASEMENT
SWCD	DELIVERY	SHARE	DELIVERY
LE SUEUR *	\$19,619	\$15,979	\$5,886
LINCOLN	\$19,896	\$15,527	\$4,890
LYON *	\$19,224	\$14,141	\$7,216
MAHNOMEN	\$18,117	\$10,799	\$237
MARSHALL	\$29,596	\$9,491	\$1,234
MARTIN	\$18,908	\$17,945	\$9,922
MC LEOD	\$18,789	\$10,987	\$4,795
MEEKER	\$18,552	\$14,977	\$4,747
MILLE LACS	\$18,868	\$6,944	\$570
MORRISON	\$20,252	\$22,808	\$5,269
MOWER	\$20,805	\$10,819	\$4,177
MURRAY	\$18,235	\$10,884	\$6,314
NICOLLET	\$19,224	\$12,862	\$3,988
NOBLES	\$18,512	\$17,383	\$1,946
NORMAN	\$18,986	\$9,605	\$2,469
OLMSTED	\$21,754	\$30,642	\$1,187
OTTER TAIL EAST	\$18,986	\$15,954	\$617
OTTER TAIL WEST	\$18,986	\$20,932	\$3,608
PENNINGTON	\$18,710	\$11,038	\$332
PINE	\$18,986	\$13,045	\$47
PIPESTONE	\$18,670	\$15,873	\$1,139
POLK EAST	\$18,828	\$10,293	\$142
POLK WEST	\$18,828	\$13,414	\$807
POPE	\$18,592	\$19,927	\$8,687
RAMSEY	\$19,343	\$10,163	\$0
RED LAKE	\$18,077	\$5,632	\$190
REDWOOD	\$19,343	\$13,576	\$21,837
RENVILLE	\$19,501	\$10,460	\$21,789
RICE	\$22,940	\$14,891	\$3,133
ROCK	\$19,343	\$15,923	\$1,092
ROOT RIVER	\$22,505	\$20,901	\$3,038
ROSEAU	\$18,750	\$10,525	\$95
SCOTT	\$19,935	\$18,366	\$2,611
SHERBURNE	\$21,635	\$7,493	\$0
SIBLEY	\$18,868	\$9,005	\$4,557
ST. LOUIS NORTH	\$18,789	\$8,550	\$0
ST. LOUIS SOUTH	\$18,789	\$7,119	\$0
STEARNS	\$22,030	\$36,814	\$854

PROPOSED FY '16 SWCD PROGRAMS and OPERATIONS GRANTS

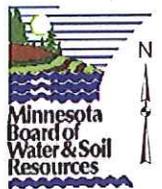
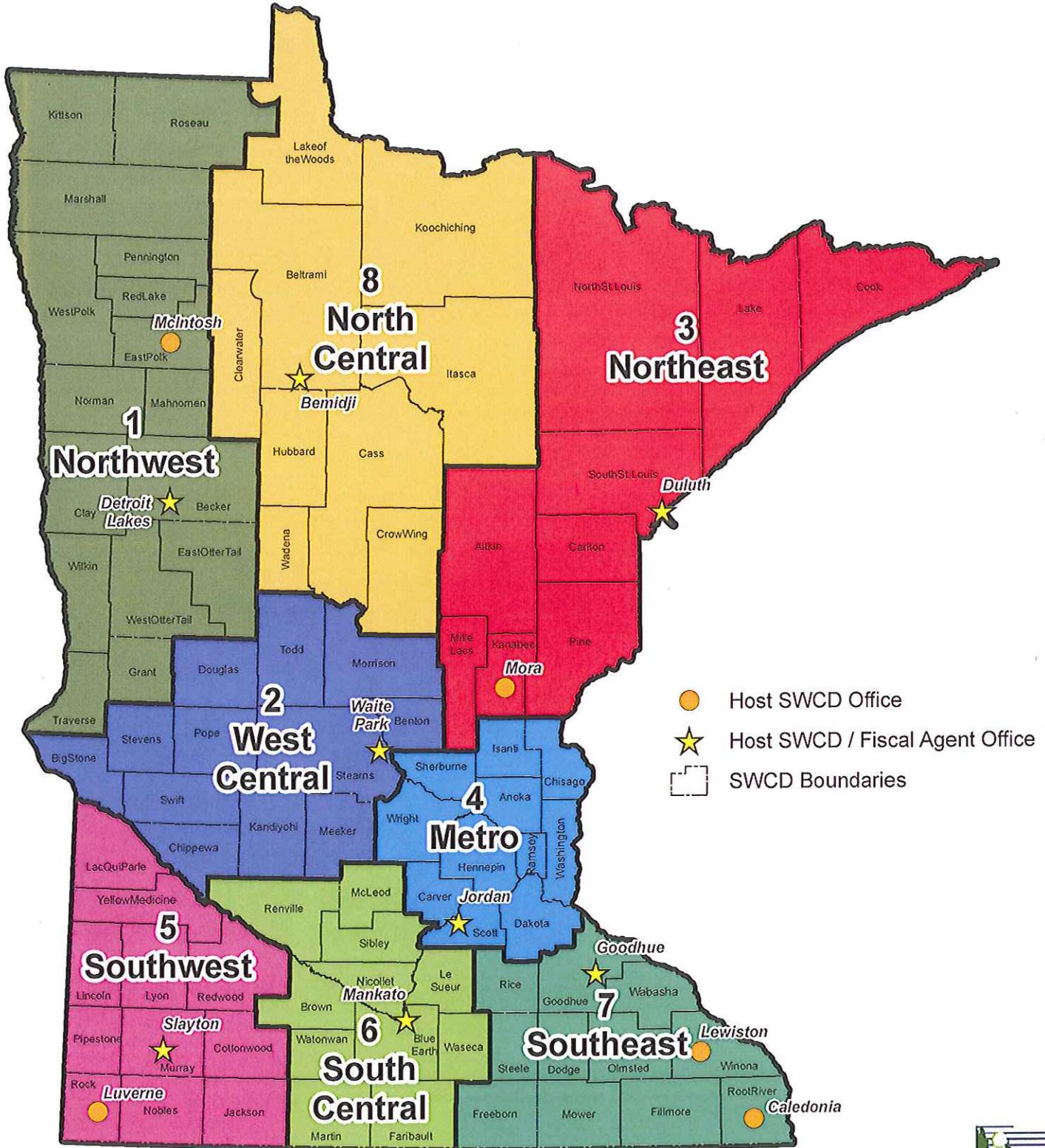
	\$1.765 M	\$1.200 M	\$291 M
	CONSERVATION	COST	EASEMENT
SWCD	DELIVERY	SHARE	DELIVERY
STEELE	\$20,014	\$10,609	\$2,516
STEVENS	\$19,184	\$15,309	\$3,845
SWIFT	\$18,592	\$10,055	\$8,165
TODD	\$20,054	\$16,595	\$190
TRAVERSE	\$19,145	\$5,376	\$1,329
WABASHA *	\$19,619	\$15,401	\$1,234
WADENA	\$18,710	\$10,142	\$95
WASECA	\$18,986	\$10,552	\$5,412
WASHINGTON	\$20,568	\$11,736	\$95
WATONWAN	\$18,394	\$9,694	\$5,032
WILKIN	\$19,263	\$13,427	\$2,753
WINONA	\$20,963	\$11,629	\$3,893
WRIGHT	\$21,358	\$15,797	\$2,041
YELLOW MEDICINE	\$19,263	\$17,060	\$9,257
ALLOCATED TOTALS	\$1,765,001	\$1,196,499	\$290,997

* WABASHA INELIGIBLE UNTIL LOCAL COMPREHENSIVE PLANNING and FINANCIAL REPORTING REQUIREMENTS ARE MET.

* LYON ALLOCATIONS WITHHELD UNTIL REPORTING REQUIREMENTS ARE MET.

* LESUEUR COST SHARE GRANT REDUCED \$3,500 FOR PROGRAM VIOLATIONS.

Minnesota Association of Soil & Water Conservation Districts & SWCD Technical Service Areas





Board Resolution # _____

FISCAL YEAR '16 SWCD PROGRAMS AND OPERATIONS GRANTS ALLOCATIONS

WHEREAS, Fiscal Year '16 Soil and Water Conservation District (SWCD) Programs and Operations Grants, administered by the Board of Water and Soil Resources (BWSR), provide cost share and conservation delivery grants allocations to SWCDs through its State Cost Share Grants, Conservation Delivery Grants, Easement Delivery Grants, and Non Point Engineering Assistance Grant Programs, and;

WHEREAS, Laws of Minnesota 2015, 1st Special Session, in Chapter 4, Article 3, Section 4, appropriated cost share, conservation delivery, easement delivery, and nonpoint engineering assistance grant funds to BWSR, and;

WHEREAS, as required by the appropriation, all SWCDs that have BWSR approved plans and reports are eligible to receive these grants, and;

WHEREAS, grant recipients are responsible for managing State grant funds in compliance with statutes, rules, grant agreements, BWSR policies and guidance, local policies, and other applicable laws and requirements, and;

WHEREAS, the Grants Program & Policy Committee reviewed the proposed SWCD grants allocations on June 17, 2015.

NOW THEREFORE BE IT RESOLVED, the Board authorizes:

1. Staff to allocate grant funds to individual SWCDs up to the amounts listed below and as provided on the attached allocation spreadsheet, *Proposed FY '16 SWCD Programs and Operations Grants*:

State Cost Share Grants	\$1,196,499
Conservation Delivery Grants	\$1,765,001
Easement Delivery Grants	\$290,997

2. Authorize SWCDs, to use all or part of their State Cost Share Program allocation for technical assistance, when the following conditions exist:

- i. Other non-state funds will be leveraged and they couldn't do the project otherwise;
Or,
- ii. Funds are used on a project(s) that is State Cost Share Program or EQIP eligible and their 2014 Financial Report indicates less than an 18-month fund balance; And
- iii. Board Conservationist approval.

3. Allocate the Non Point Engineering Assistance Grants to joint powers boards up to the \$1,060,000, as listed below:

NPEA Area	Base Grant	Host/Fiscal Agent SWCD	Equipment	Total Grant
1	\$120,000	\$10,000	\$20,000	\$150,000
2	\$120,000	\$5,000	\$0	\$125,000
3	\$120,000	\$10,000	\$0	\$130,000
4	\$120,000	\$5,000	\$0	\$125,000
5	\$120,000	\$10,000	\$0	\$130,000
6	\$120,000	\$5,000	\$20,000	\$145,000
7	\$120,000	\$10,000	\$0	\$130,000
8	\$120,000	\$5,000	\$0	\$125,000

Date: _____

Brian Napstad, Chair
Board of Water and Soil Resources

Attachments: *Proposed FY '16 SWCD Programs and Operations Grants*



BOARD MEETING AGENDA ITEM

AGENDA ITEM TITLE: FY 16 CWF Competitive Grant Program

Meeting Date: June 24, 2015

Agenda Category: Committee Recommendation New Business Old Business

Item Type: Decision Discussion Information

Section/Region: Land and Water Section

Contact: Marcey Westrick

Prepared by: Marcey Westrick

Reviewed by: Grants Program and Policy Committee(s)

Presented by: Dave Weirens

Audio/Visual Equipment Needed for Agenda Item Presentation

Attachments: Resolution Order Map Other Supporting Information

Fiscal/Policy Impact

- None
- Amended Policy Requested
- New Policy Requested
- Other:
- General Fund Budget
- Capital Budget
- Outdoor Heritage Fund Budget
- Clean Water Fund Budget

ACTION REQUESTED

Adopt the FY16 Clean Water Fund Competitive Grants Policy and authorize the FY16 Clean Water Fund Competitive Grants Program.

LINKS TO ADDITIONAL INFORMATION

SUMMARY (*Consider: history, reason for consideration now, alternatives evaluated, basis for recommendation*)

The FY 16 Clean Water Fund Competitive Grants Program includes three BWSR grant programs and Minnesota Department of Agricultural AgBMP loans and is proposed to have an application period from July 6 to August 28. The application scoring process will be conducted by staff from DNR, MDA, MDH, PCA and BWSR as has been the case in previous years. The Grants Program and Policy Committee met on June 17, 2015 to review the draft Policy and Request for Proposals and are recommending Board adoption.



FY 2016 Clean Water Fund Competitive Grants Policy



Purpose

The Clean Water Fund was established to implement part of Article XI, Section 15, of the Minnesota Constitution, and M.S. 114D 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. The purpose of this policy is to provide expectations for implementation activities conducted via the Board of Water and Soil Resources (BWSR) Clean Water Fund (CWF) grants.

BWSR will use grant agreements for assurance of deliverables and compliance with appropriate statutes, rules and established policies. Willful or negligent disregard of relevant statutes, rules and policies may lead to imposition of financial penalties or future sanctions on the grant recipient.

The FY 2016 Clean Water Fund Competitive Grants Request for Proposal (RFP) may identify more specific requirements or criteria when specified by statute, rule or appropriation language.

1.0 Applicant Eligibility Requirements

Eligible applicants include local governments (counties, watershed districts, watershed management organizations, soil and water conservation districts, and cities) or local government joint power boards working under a current State approved and locally adopted local water management plan or soil and water conservation district (SWCD) comprehensive plan. Counties in the seven-county metropolitan area are eligible if they have adopted a county groundwater plan or county comprehensive plan that has been approved by the Metropolitan Council under Minn. Stat. Chapter 473. Cities in the seven-county metropolitan area are eligible if they have a water plan that has been approved by a watershed district or a watershed management organization as provided under Minn. Stat. 103B.235. Cities, including those outside of the seven-county metropolitan area, without such plans are encouraged to work with another eligible local government if interested in receiving grant funds. Plans must be current as of October 1, 2015 for an applicant to be eligible to apply.¹ Applicants must also be in compliance with all applicable federal, State, and local laws, policies, ordinances, rules, and regulations.

¹ For the purposes of this policy watershed management organizations and metro watershed districts are not eligible if the management plan is more than 10 years beyond the BWSR plan approval date unless the plan states a lesser period of time; non-metro watershed districts are not eligible if the plan is more than 11 years 3 months beyond the BWSR approval date; and counties are not eligible if the management plan is more than 10 years beyond the BWSR approval date unless properly extended.

2.0 Match Requirements

A non-State match equal to at least 25% of the amount of Clean Water Funds requested and/or received is required, unless specified otherwise by Board action and included in the RFP. Match can be provided by a landowner, land occupier, 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.

3.0 Eligible Activities

The primary purpose of activities funded with grants associated with the Clean Water Fund is to restore, protect, and enhance water quality. Eligible activities must be consistent with a 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, surface water intake plan, or well head protection plan. Local governments may include programs and projects in their grant application that are derived from an eligible plan of another local government. BWSR may request documentation outlining the cooperation between the local government submitting the grant application and the local government that has adopted the plan.

Eligible activities can consist of structural practices and projects; non-structural practices, and measures, project support, and grant management and reporting. Technical and engineering assistance necessary to implement these activities are considered essential and are to be included in the total project or practice cost.

3.1 Structural Practices and Projects:

3.1.1 Best Management Practices

- a. Practices must be designed and maintained for a minimum effective life of ten years.
- b. An operation and maintenance plan for the life of the practice shall be included with the design standards.
- c. An inspection schedule, procedure, and assured access to the practice site shall be included as a component of maintaining the effectiveness of the practice.
- d. The grant recipient must provide assurances that the landowner or land occupier will keep the practice in place for its intended use for the expected lifespan of the practice. Such assurances may include easements, deed recordings, enforceable contracts, performance bonds, letters of credit, and termination or performance penalties. BWSR may allow replacement of a practice or project that does not

comply with expected lifespan requirements with a practice or project that provides equivalent water quality benefits.

3.1.2 Capital Improvement Projects

- a. Projects must be designed and maintained for a minimum effective life of 25 years.
- b. An operation and maintenance plan for the life of the project shall be included with the design standards.
- c. An inspection schedule, procedure, and assured access to the project site for maintenance shall be included as a component of maintaining the effectiveness of the project.
- d. The grant recipient must provide assurances that the landowner or land occupier will keep the project in place for its intended use for the expected lifespan of the project. Such assurances may include easements, deed recordings, enforceable contracts, performance bonds, letters of credit and termination or performance penalties. BWSR may allow replacement of a practice or project that does not comply with expected lifespan requirements with a practice or project that provides equivalent water quality benefits.

3.1.3 Livestock Waste Management Practices

- a. The application of conservation practice components to improve water quality associated with livestock management systems that were constructed before **October 23, 2000** are eligible for funding.
- b. Eligible practices and project components must meet all applicable local, State, and federal standards and permitting requirements. Funded projects must be in compliance with standards in MN Rule Chapter 7020 upon completion.
- c. Eligible practices are limited to best management practices listed by the MN USDA-NRCS.
http://www.nrcs.usda.gov/wps/portal/nrcs/detail/mn/programs/financial/eqip/?cid=nrcs142p2_023513
- d. Funding is limited to livestock operations that are not classified as a Concentrated Animal Feeding Operation (CAFO) and have less than 500 animal units (AUs), in accordance with MN Rule Chapter 7020.
- e. Only livestock operations registered with the Minnesota Pollution Control Agency in the Delta Database or its equivalent are eligible for funding.
- f. BWSR reserves the right to deny, postpone or cancel funding where financial penalties related to livestock waste management violations have been imposed on the operator.
- g. Feedlot Roof Structure is an eligible practice with the following condition:
 - 1) Payment Limitation: The maximum grant for a feedlot roof structure is not to exceed \$100,000. Funding is not eligible for

projects already receiving flat rate payment equaling or exceeding this amount from the NRCS or other State grant funds.

- h. Feedlot relocation is an eligible practice, with the following conditions:
 - 1) The existing eligible feedlot must be permanently closed in accordance with the local and State requirements,
 - 2) Payment Limitation: The maximum grant for a feedlot relocation is not to exceed \$100,000. Funding is not eligible for projects already receiving flat rate payment equaling or exceeding this amount from the NRCS or other State grant funds.

3.1.4 Subsurface Sewage Treatment Systems

- a. Only identified imminent threat to public health systems (ITPHS) are eligible for grants funds, except as provided under b.
- b. Proposed community wastewater treatment systems involving multiple landowners are eligible for funding, but must be listed on the MPCA's Project Priority List (PPL) and have a Community Assessment Report (CAR) or facilities plan [Minn. Rule 7077.0272] developed prior to the application deadline. For community wastewater system applications that include ITPHS, systems that fail to protect groundwater are also eligible.
- c. In an unsewered area that is connecting into a sewer line to a municipal waste water treatment plant (WWTP), the costs associated with connecting the home to the sewer line is eligible for funding if the criteria in a. and b. above are met.

3.2 Non-Structural Practices And Measures

- 3.2.1** Non-structural practices and activities that complement, supplement, or exceed current minimum State standards or procedures for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation are eligible.
- 3.2.2** Incentives may be used to encourage landowners to install or adopt land management practices that improve or protect water quality. Incentive payments and enhanced protection measures should be reasonable and justifiable, supported by grant recipient policy, consistent with prevailing local conditions, and must be accomplished using established standards. All incentivized practices or procedures must have a minimum duration of at least 3 years with a goal of ongoing landowner adoption.
- 3.2.3** Minimum Buffer Width Requirements: Minimum buffer widths must, at a minimum, follow applicable statutes, rules, or local official controls for the water of concern.

3.2.4 Non-structural vegetative practices must follow the Native Vegetation Establishment and Enhancement Guidelines found at http://www.bwsr.state.mn.us/native_vegetation/seeding_guidelines.pdf .

3.3 Project Support

Eligible activities include community engagement, outreach, equipment and other activities, which directly support or supplement the goals and outcomes expected with the implementation of items identified in 3.1 and 3.2 above.

3.3.1 Capital Equipment Purchases: Refer to the guidance within the Grants Administration Manual.

3.4 Grant Management and Reporting

3.4.1 All grant recipients are required to report on the outcomes, activities, and accomplishments of Clean Water Fund grants. The grant funds may be used for local grant management and reporting that are directly related to and necessary for implementing the project or activity.

3.4.2 Applicants, who have previously received a grant from BWSR, must be in compliance with BWSR requirements for grantee website and eLINK reporting before grant execution and payment.

4.0 Ineligible Activities

Projects or practices that address the following will not be considered:

- a. Stormwater conveyances that collect and move runoff, but do not provide water quality treatment;
- b. Municipal wastewater treatment or drinking water supply facilities;
- c. Routine maintenance activities within the effective life of existing practices or projects;
- d. General maintenance and repair of capital equipment;
- e. Activities having the primary purpose of water quality monitoring or assessment; unless specifically allowed;
- f. Livestock Waste Management Practices: Practices and activities that are not listed in the USDA NRCS-EQIP docket or are not included in the USDA NRCS eFOTG;
- g. Subsurface Sewage Treatment Systems (SSTS):
 - 1) Small community wastewater treatment systems serving over 10,000 gallons per day with a soil treatment system, and
 - 2) A small community wastewater treatment system that discharges treated sewage effluent directly to surface waters without land treatment.

5.0 Structural Practice and Project Requirements

In order to ensure long-term public benefit of structural practices and projects, the following requirements must be met by all grant recipients.

5.1 Technical and Engineering Components

Technical and/or engineering expertise is required to develop, install, and inspect projects. Grant recipients will be required to submit information in their work plan outlining:

- a. Who will provide technical and engineering assistance for each of the practices or projects to be implemented, their required credentials for providing this assistance, or the method for selecting appropriate technical providers; and
- b. Approved design, construction, operation, and maintenance standards for the practices or projects to be implemented.

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.

5.2 Practice or Project Construction and Sign-Off

Grant recipients shall verify that the practice or project was properly installed and completed according to the plans and specifications, including technically approved modifications, prior to authorization for payment.

5.3 Post Construction and Follow-Up Activities

To ensure that a practice or project is functioning properly, an operation and maintenance plan tailored to fit the site shall be developed. The operation and maintenance plan should identify all of the maintenance activities that are needed and specify how they will be accomplished. The plan shall be reviewed with the land owner or occupier before installation of the practices or projects.

The grant recipient shall assure that the operation and maintenance plan is being followed and that the practices or projects are functioning as designed by conducting periodic site inspections.

6.0 Grantee Administration of Clean Water Fund Grants

Grant recipients have the responsibility to approve the expenditure of funds within their organization. The LGU administering the grant must approve or deny expenditure of funds and the action taken must be documented in the governing body's meeting minutes prior to beginning the funded activity.

All grant recipient expenditure of funds providing financial assistance to landowners requires a contract with the landowner or land occupier. The contract must adequately address all the lifespan and operation and maintenance requirements of the practice or project as provided by this policy, including access for inspections and/or operation and maintenance. The contract must specify enforcement provisions, up to and including repayment of funds at a rate up to 150% of the original agreement amount. Funds received from a landowner who has taken out or failed to maintain a practice must be used according to this policy, less the administration cost.

BWSR recommends all contracts be reviewed by the grant recipient's legal counsel.

Grant reporting, fiscal management, and administration requirements are the responsibility of the grant recipient.

7.0 BWSR Grant Reporting, Reconciliation, and Verification Requirements

BWSR staff is authorized to develop grant agreements, including requirements and processes for project outcomes reporting, closeouts, fiscal reconciliations, and grant verifications. All grantees must follow the Grants Administration Manual policy and guidance.

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 150% of the grant agreement.



Board Resolution # 15-

**FY 2016 CLEAN WATER FUND COMPETITIVE GRANTS PROGRAM:
POLICY AND REQUEST FOR PROPOSALS**

WHEREAS, the Clean Water Fund (CWF) is established in M.S. 114D.50; and,

WHEREAS, Clean Water Funds have been appropriated to BWSR in Laws of Minnesota 2015, First Special Session, Chapter 2; and,

WHEREAS, the Minnesota Department of Agriculture will be contributing Agricultural Best Management Practices Loan Program funds; and,

WHEREAS, the Board has authority under Minn. Stat. 103B.3369 to make grants to cities, townships, counties, soil and water conservation districts, watershed districts, joint powers organizations, and other special purpose districts or authorities with jurisdiction in water and related land resources management when a proposed project or activity implements a county water plan, watershed management plan, or county groundwater plan; and

WHEREAS, BWSR implementation of appropriated CWF funds is based on the Minnesota Constitution, Article XI, Section 15 which provides that funds may be “spent only to protect, enhance, and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation”, and that “dedicated money under this section must supplement traditional sources of funding for these purposes and may not be used as a substitute”; and,

WHEREAS, the Board has previously endorsed an inter-agency granting strategy that included the MN Department of Agriculture (MDA), the Department of Natural Resources (DNR), the Pollution Control Agency (MPCA), the Department of Health (MDH), and the BWSR with the goal of effectively coordinating water quality projects funded by the CWF, and

WHEREAS, the CWF implementation strategy incorporates the purpose of M.S. 114D.20 which directs the implementation of Clean Water Funds to be coordinated with existing authorities and program infrastructure; and,

WHEREAS, project proposals for funds appropriated in Laws of Minnesota 2015, First Special Session, Chapter 2, Section 7(b) will be evaluated by an interagency team consisting of staff from the MDA, the DNR, the MPCA, the MDH, and the BWSR based on the following criteria:

Ranking Criteria	Maximum Points Possible
<u>Project Description:</u> The project description succinctly describes what results the applicant is trying to achieve and how they intend to achieve those results.	5
<u>Prioritization:</u> The proposal is based on priority protection or restoration actions listed in or derived from an approved local water management plan.	15
<u>Targeting:</u> The proposed project addresses identified critical pollution sources or risks impacting the water resource identified in the application.	25
<u>Measurable Outcomes:</u> The proposed project has a quantifiable reduction in pollution and directly addresses the water quality concern identified in the application.	35
<u>Project Readiness:</u> The application has a set of specific initiatives that can be implemented soon after grant award.	10
<u>Cost Effectiveness:</u> The application identifies a cost effective solution to address the non-point pollution concerns.	5
<u>Biennial Budget Request (BBR):</u> A BBR was submitted by the applicant organization in 2014.	5
Total Points Available	100

WHEREAS, project proposals for funds appropriated in Laws of Minnesota 2015, First Special Session, Chapter 2, Section 7(c) will be evaluated by an interagency team consisting of staff from the MDA, the DNR, the MPCA, the MDH, and the BWSR based on the following criteria:

Ranking Criteria	Maximum Points Possible
Clarity of project's goals, standards addressed and projected impact on land and water management and enhanced effectiveness of future implementation projects.	40
<u>Relationship to Plan:</u> The proposal is based on priority protection or restoration actions listed in or derived from an approved local water management plan.	25
Means and measures for assessing the program's impact and capacity to measure project outcomes.	20
Timeline for implementation.	15
Total Points Available	100

WHEREAS, project proposals for funds appropriated in Laws of Minnesota 2015, First Special Session, Chapter 2, Section 7(h) will be evaluated by BWSR staff based on the following criteria:

Ranking Criteria	Maximum Points Possible
Clarity of project goals, projected impact, and involvement with community partners.	40
Relationship to Plan: The proposal is based on priority protection or restoration actions listed in or derived from an approved local water management plan.	30
Plan for assessing the programs impact and capacity to measure project outcomes.	20
LGU capacity to implement the local grant program processes and protocols.	10
Total Points Available	100

WHEREAS, the Grants Program and Policy Committee reviewed the Clean Water Fund and Competitive Grants Program Policy developed by staff on June 17, 2015.

NOW THEREFORE BE IT RESOLVED, the Board hereby:

1. Authorizes staff to finalize, distribute and promote a Request For Proposals (RFP) for the FY2016 Clean Water Fund Competitive Grants Program consistent with the provisions of appropriations enacted in 2015, Minn. Stat. 103B.3369 and this Board resolution; and,
2. Adopts the attached FY2016 Clean Water Fund Competitive Grants Policy.

Date: _____

 Brian Napstad, Chair
 Board of Water and Soil Resources

Attachment: FY2016 Clean Water Fund Competitive Grants Policy



BOARD MEETING AGENDA ITEM

AGENDA ITEM TITLE: Farm Bill Assistance Program Grants

Meeting Date: June 24, 2015

Agenda Category: Committee Recommendation New Business Old Business

Item Type: Decision Discussion Information

Section/Region: Land and Water Section

Contact: Dave Weirens

Prepared by: Dave Weirens

Reviewed by: Grants Program and Policy Committee(s)

Presented by: Dave Weirens

Audio/Visual Equipment Needed for Agenda Item Presentation

Attachments: Resolution Order Map Other Supporting Information

Fiscal/Policy Impact

- | | |
|---|---|
| <input type="checkbox"/> None | <input type="checkbox"/> General Fund Budget |
| <input type="checkbox"/> Amended Policy Requested | <input type="checkbox"/> Capital Budget |
| <input type="checkbox"/> New Policy Requested | <input type="checkbox"/> Outdoor Heritage Fund Budget |
| <input checked="" type="checkbox"/> Other: | <input type="checkbox"/> Clean Water Fund Budget |
| <u>LCCMR, BWSR & DNR Funds</u> | |

ACTION REQUESTED

The Board is requested to authorize the use of year two funds from the current Legislative Citizen Commission on Minnesota Resources (LCCMR) grant, FY 16 DNR funds, FY 16 BWSR Clean Water Fund Accelerated Implementation Grant funds, and any remaining program carry forward funds for Farm Bill Assistance Grants.

LINKS TO ADDITIONAL INFORMATION

SUMMARY (Consider: history, reason for consideration now, alternatives evaluated, basis for recommendation)

The Farm Bill Assistance Program provides funds to SWCDs to hire staff to accelerate implementation of the Farm Bill as well as other state and federal conservation projects that involve grasslands and wetlands. The FY16 Farm Bill Assistance Program is expected to be funded from several revenue sources, chief among them, the Legislative-Citizens Commission on Minnesota Resources.

The Grants Program and Policy Committee met on June 17, 2015 to review documents associated with this resolution and is recommending Board approval.

MN FARM BILL ASSISTANCE PARTNERSHIP

Staffing Guidance

The purpose of the MN Farm Bill Assistance Partnership is to accelerate the implementation of conservation programs in Minnesota by adding capacity to consult with landowners in the delivery of habitat programs on private land. The end result is more acres of grass and wetlands for water quality and wildlife habitat. The following is a listing of general requirements and activities relating to the work priorities of the FBAP committee (DNR, BWSR, NRCS and Pheasants Forever). Should you have any specific questions about eligible duties, please contact Tabor Hoek at 507-537-7260 or tabor.hoek@state.mn.us.

GENERAL REQUIREMENTS:

- Staff employed through this funding should possess experience and/or education in wildlife science or natural resource conservation related field.
- This is added capacity designed to proactively outreach/consult with private landowners regarding resource priorities and programs that work to address concerns related to wildlife, water, soil.
- Oversight will be provided by the FBA Coordinator (Jason Beckler) who will work with local partners and individual staff on hiring, reporting, training, and work load priorities.

DUTIES ELIGIBLE FOR FUNDING:

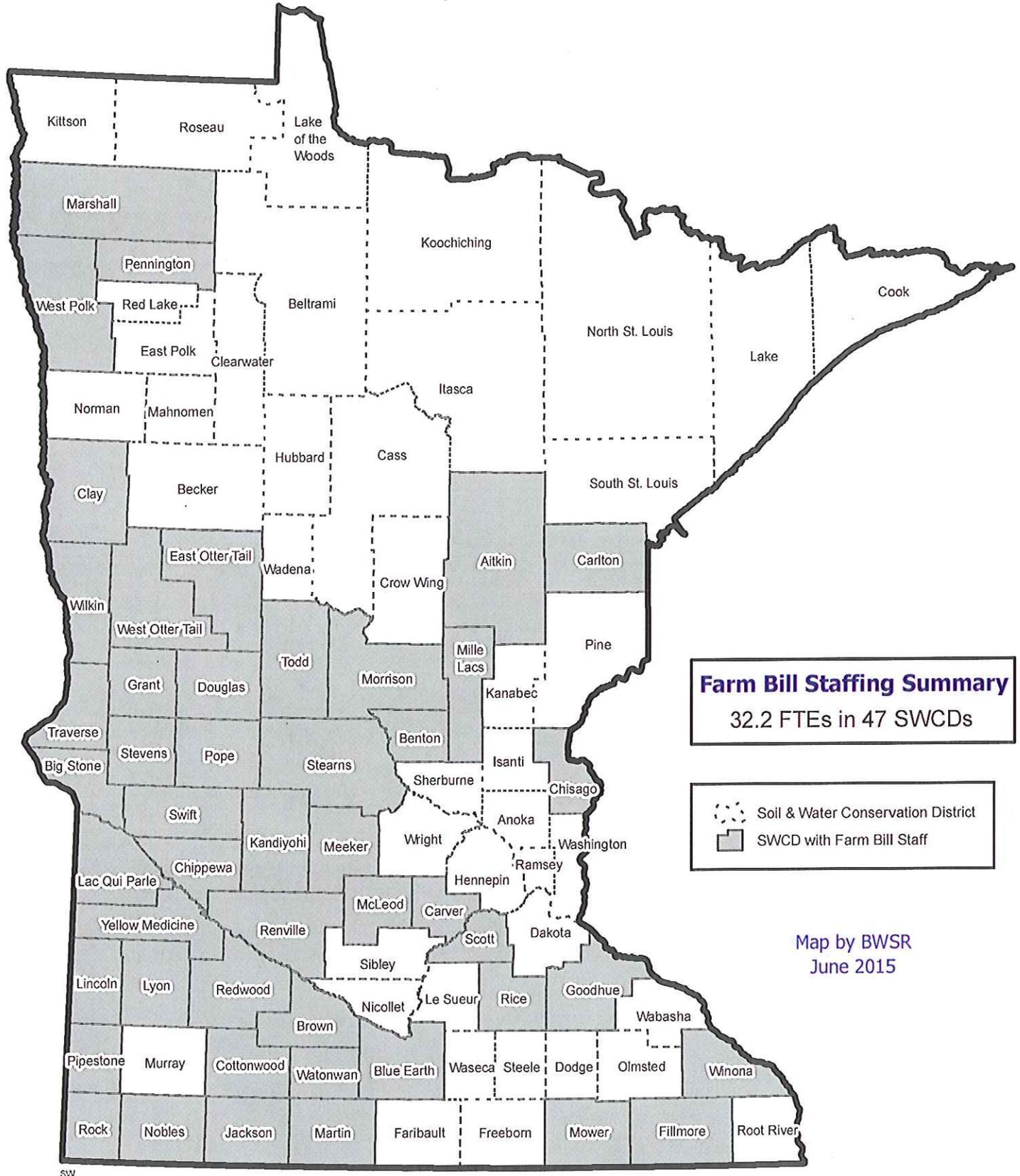
- Marketing and consultation with farmers and landowners on conservation programs that achieve clean water, grass and wetland cover: Programs such as RIM, RIM-WRP, CRP, CCRP, WRP, WLI, EQIP, CRP Re-enrollment, MN Clean Water Funding, MN Prairie Conservation Plan, Prairie Bank, FWS Habitat Easements
- Contracts, Easements and Conservation plans for these programs
- Practice implementation via vendors
- Mid-contract management planning/consulting or vegetation enhancement activities (with less habitat, can we produce more wildlife yield on our remaining acres!)
- Guidance of landowners on non-FBA activities to appropriate staff/programs
- Attendance at training events and meetings necessary to stay up to date on private lands program offerings.

DUTIES NOT ELIGIBLE FOR FUNDING:

- Non-wetland/grassland CCRP practices (waterways, windbreaks etc.)
- Tree planting/matting-SWCD tree program
- Grass planting-SWCD drill program
- Conducting a prescribed burn
- Construction management of general conservation practices

Farm Bill Assistance Positions

Phase XV – July 1, 2015-June 30, 2016



SW



FY '16 MN Conservation Assistance Program Authorization

WHEREAS, the MN Board of Water and Soil Resources (BWSR), in partnership with the MN Department of Natural Resources (DNR), Soil and Water Conservation Districts (SWCD), Natural Resources Conservation Service (NRCS) and Pheasants Forever (PF), have been implementing a program called the MN Farm Bill Assistance Project to accelerate staffing efforts at the local level for implementation of the Federal Farm Bill programs and other clean water, grassland and wetland programs; and,

WHEREAS, BWSR acting as fiscal agent for the program, has been appropriated funds recommended by the MN Legislative Citizen Commission on Minnesota Resources (LCCMR) through the Environmental Natural Resources Trust Fund (ENRTF) in Laws of Minnesota 2013, Chapter 52, Section 2, subd. 4(f), Laws of Minnesota, 2015 Chapter 76, Section 2, subd. 8(d), BWSR and DNR funds to grant SWCD's for staff employment; and,

WHEREAS, BWSR, DNR and PF have conducted a Solicitation of Interest from SWCD's for funding; and,

WHEREAS, BWSR has adopted the following grant and allocation policy based upon the partnership recommendations:

- Eligible SWCD's will be competitively selected to receive a 90% state funded contribution towards employment of a staff position. The staff budget is established at \$50,000 per full-time-equivalent. The SWCD will provide 10% cash match to the position budget.

WHEREAS, the BWSR Grants Program and Policy committee met on June 17, 2015 and is recommending the Board approve the allocation of these funds.

NOW THEREFORE BE IT RESOLVED, the BWSR authorizes staff to allocate up to \$500,000 in ENRTF, \$250,000 in FY 2016 DNR funds, \$200,000 of BWSR FY 2016 Clean Water Fund Accelerated Implementation Grant funds, and any rollover or slippage from this program consistent with appropriations and this resolution.

Date: _____

Brian Napstad, Chair
Board of Water and Soil Resources



BOARD MEETING AGENDA ITEM

AGENDA ITEM TITLE: Grants Noncompliance Policy

Meeting Date: June 24, 2015

Agenda Category: Committee Recommendation New Business Old Business

Item Type: Decision Discussion Information

Section/Region: Land and Water Section

Contact: Tim Dykstal/Dave Weirens

Prepared by: Dave Weirens

Reviewed by: Grants Program and Policy Committee(s)

Presented by: Tim Dykstal/Dave Weirens

Audio/Visual Equipment Needed for Agenda Item Presentation

Attachments: Resolution Order Map Other Supporting Information

Fiscal/Policy Impact

- | | |
|--|---|
| <input type="checkbox"/> None | <input type="checkbox"/> General Fund Budget |
| <input type="checkbox"/> Amended Policy Requested | <input type="checkbox"/> Capital Budget |
| <input checked="" type="checkbox"/> New Policy Requested | <input type="checkbox"/> Outdoor Heritage Fund Budget |
| <input type="checkbox"/> Other: | <input type="checkbox"/> Clean Water Fund Budget |

ACTION REQUESTED

The Grants Program and Policy Committee reviewed the staff recommendation to adopt the Grant Noncompliance Policy on June 17, 2015. The Committee is recommending the Board adopt the proposed policy on June 24, 2015.

LINKS TO ADDITIONAL INFORMATION

SUMMARY (Consider: history, reason for consideration now, alternatives evaluated, basis for recommendation)

BWSR staff have revised the Noncompliance chapter in the Grant Administration Manual to simplify BWSR's noncompliance policy and procedure, to align it with the procedure to be followed when noncompliance is noted during a grant verification site visit, and to clarify the consequences of noncompliance which can include a repayment or penalty. The Grants Program and Policy Committee discussed the draft policy on April 22, 2015 and on June 17, 2015.

Grant Noncompliance

Effective Date: July 1, 2015

Grant recipients are responsible for managing State grant funds in compliance with statutes, rules, grant agreements, BWSR policies and guidance, local policies, and other applicable laws and requirements. BWSR has developed the following policy and procedure to categorize levels of noncompliance and identify typical procedures for when errors are found. BWSR staff has the discretion to consider factors not covered in these guidelines.

Often, mistakes in grants management result from simple misunderstandings and the majority of incidences are resolved without requiring a formal corrective action plan. When corrective actions are considered, the first goal is always to bring the grant recipient back into compliance.

Noncompliance is generally found through the review procedures of: monitoring, reconciliation, or verification. Noncompliance can be less (Level 1) or more severe (Level 2).

Level 1: Failure to follow required administrative procedures

Examples of Level 1 noncompliance may include, but are not limited to: lack of detail to justify an expense or payment, improperly completed forms or contracts, incorrect, insufficient, or late reporting, incomplete files, or deficient operation and maintenance plans. Deviation from locally-established policies or procedures may also be noted as Level 1 noncompliance.

Level 2: Failure to follow statute, rule, policy, or grant agreement

Examples of Level 2 noncompliance may include, but are not limited to, missing signatures or dates on contracts, overpayment on contracts, lack of required technical assessment or sign-off by a technical representative, installation of practices that are not allowed or failure to address program purpose, lack of an operation and maintenance plan, projects occurring outside contract starting or completion dates, or expenditure of funds outside the term of the grant agreement.

Repeated instances of Level 1 noncompliance may be recategorized as Level 2 noncompliance.

Noncompliance Procedure

Grant recipients will be notified when they are out of compliance in a memo, grant verification results form and letter, or other means of communication. The communication will be addressed to the chair of the LGU holding the grant, and copied to the LGU's administrator.

The memo or letter will document the noncompliance, and suggest corrective actions to bring the grant recipient back into compliance, including any repayment or additional penalty. The grant recipient must

respond to BWSR with a plan that addresses each corrective action. BWSR must approve the corrective action plan for the grant recipient to be back in compliance.

Repayment or Additional Penalty

Minnesota Statutes §103C.401 (2014) establishes BWSR's obligation to assure program compliance. If the noncompliance is severe (generally, Level 2), or if work under the grant agreement is found by BWSR to be unsatisfactory or performed in violation of federal, state, or local law, BWSR has the authority to require the repayment of grant funds, or an additional penalty. Penalties can be assessed at a rate up to 150% of the grant agreement.

For a finding of noncompliance, BWSR also has the authority to withhold payments on grants. This authority is provided under the Minnesota Department of Administration's Office of Grants Management Policy 08-13, Grant Closeout Evaluation, that requires state agencies to consider a grant applicant's past performance before awarding subsequent grants or making a new grant award of over \$5,000.

All noncompetitive grants for which funding is requested may be reduced by five percent of the original grant amount for missed deadlines, with an additional five percent reduction of the original grant amount for each month late. When a future grant allocation has been reduced by 50%, because of repeated instances of lateness or missed deadlines, the entire grant allocation will be forfeited.

For competitive grants, reimbursement payments may be reduced by the same amount for missed deadlines as for noncompetitive grants. When a future grant payment has been reduced by 50%, because of repeated instances of lateness or missed deadlines, the entire remaining grant payment will be forfeited.

Until the noncompliance is resolved, payments will not be made on any grant to the noncompliant grantee.

Alternatives may also be considered and used at the discretion of BWSR.

Appeal

If a finding of noncompliance by BWSR involves repayment or an additional penalty, a grant recipient may appeal that finding. The appeal must be in writing and include all supporting evidence and be sent to the BWSR Regional Manager within 30 days of receiving the communication from BWSR that assesses the penalty. The Executive Director will review the appeal and supporting evidence and render a decision. The Executive Director may stay the penalty until the appeal is resolved. All additional penalties are stayed for the duration of the appeal.

If no resolution can be achieved between the grant recipient and the Executive Director, the grant recipient may request in writing to the chair of the Board for the appeal to be heard by the BWSR Dispute Resolution Committee. The Committee will make a recommendation to the Board to dismiss, amend, or uphold the appeal.

The Board must notify the grant recipient and BWSR staff of its decision.

Board Resolution # _____

Grant Noncompliance Policy

WHEREAS Minnesota Statutes 103B.101 and 103B.3369 authorize the Board of Water and Soil Resources (BWSR) to issue grants; and

WHEREAS Minnesota Statutes 103C.401 provides BWSR with the obligation to assure compliance with agency grant requirements; and

WHEREAS Minnesota Statutes 16B.97 and 16B.98 requires the Department of Administration to “create general grants management policies and procedures that are applicable to all executive agencies”; and

WHEREAS pursuant to this statutory authority the Department of Administration has created policies 08-08, 08-09 and 08-13 that require BWSR to monitor grantees and establishes consequences for not complying with state laws, policies and grant agreements; and

WHEREAS, BWSR adopted the Grants Monitoring, Reconciliation and Verification Policy on June 22, 2011 that establishes BWSR procedures for complying with Department of Administration grant policies; and

WHEREAS consistent with these statutory and policy authorities and obligations, staff have drafted the Grant Noncompliance Policy to establish levels of noncompliance and procedures that are to be followed when grant noncompliance is identified; and

WHEREAS BWSR Grants Program and Policy Committee met on June 17, 2015 and recommends the Board adopt the Grant Noncompliance Policy.

NOW, THEREFORE, BE IT RESOLVED THAT, the Minnesota Board of Water and Soil Resources adopts the Grants Noncompliance Policy.

By: _____

Brian Napstad, Chair
Minnesota Board of Water and Soil Resources

