

## FY 2018-19 Clean Water Fund Watershed-based Funding Pilot Program Frequently Asked Questions (FAQs)

### Questions

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**Q1: When can work begin on the Watershed-based Funding Pilot projects?**

**A:** Work must not begin under the BWSR Clean Water Fund Watershed-based grant agreement, and no grant or match costs may be incurred or funds expended, until the agreement is fully executed (meaning all required signatures have been obtained). A work plan must be completed by the grantee and approved by BWSR staff before the grant agreement will be signed by BWSR. The work plan is incorporated into the grant agreement by reference.

**Q2: What are the terms of the grant; when do the dollars need to be spent?**

**A:** The term of the grant will be 3-years - from the date of execution to December 31, 2021.

**Q3: In the BWSR grant payment schedule, does the first 50% of the funds need to be spent to receive the next 40% payment?**

**A:** Yes, the first 50% of the funds must be expended before requesting the next payment. For more information regarding the payment schedule and process for requesting payments, please see the BWSR Grants Administrative Manual.

**Q4: Is there a spending limit for administration or technical costs?**

**A:** No, the grant policy does not provide no specific spending limits per grant budget category. However, costs must be reasonable, direct, and necessary. As a condition of the grant, the grantee agrees to minimize administration costs.

**Q5: Prevailing wages apply to the use of state funds. What are the grant applicant's responsibilities for compliance?**

**A:** Prevailing wage requirements apply to all state funds used for "projects" that meet the definition identified in M.S 177.42 Subd. 2. As the RFP states, your first source of information for questions about the application of prevailing wage rates should be directed to the Department of Labor and Industry at 651-284-5091, or <http://www.dli.mn.gov/LS/PrevWage.asp>. However, the following information may help you better understand these requirements.

The responsibilities of a grant recipient are to: (1) be aware of prevailing wage and ensure their project's cost proposals address this requirement; (2) include prevailing wage information in their bid and contract documents; and (3) receive and maintain the payroll reports that contractors will furnish every two weeks. Prevailing wage does not apply to administrative activities of the grant recipient or construction activities directly conducted by a local government, i.e. if an SWCD uses its own staff to plant trees, prevailing wage would not apply, but if they contracted with Joe's Planting Service it would.

**Q6: What can be used for in-kind cash value to meet the match requirement?**

**A:** Match includes the services, materials, or cash contributed to the accomplishment of grant objectives. In-kind cash value has to be directly attributed to the project or activity accomplishments and account for the same as items charged directly to the grant. Use the following guidance when considering in-kind cash value:

Local staff and administrative costs in excess of the reporting and grant management, project development, or technical and engineering component of the grant funds received.

Conservation practice costs may not be increased beyond the actual costs of technical assistance, design, materials, and installation by the application of match. In no case may conservation practice costs exceed 100% of the actual cost of design, materials, and installation. Land value match may only be used to match structural or installed conservation practices and may only be applied where changes from current land use or land cover are implemented such that water resource protection becomes the new primary objective for the land under consideration.

**Q7: How is the efficacy and efficiency of this watershed-based funding pilot being measured against the competitive grant process?**

**A:** The specific metrics haven't been finalized, but as a pilot we will be evaluating the program both quantitatively and qualitatively. We welcome participants' input on the pilot at any time.

**Q8: Can activities be programs, rather than strictly projects?**

**A:** Yes. As long as the program has a primary benefit of water quality.

**Q9: Are the assurance measures being used to score and decide future funding for the pilot Watershed-based funding areas?**

**A:** No the draft assurance measures are being tested on the pilot recipients to gauge their utility and improve them if needed.

**Q10: Are non-structural BMPs, such as reduced tillage, eligible for funding? Will all SWCDs in the watershed need to have a Nonstructural Land Management Plan (NLMP) Cost Share plan on file for each year?**

**A:** Non-structural BMPs and associated incentive payments related to changes in tillage practices are eligible. All projects must meet the minimum effective life requirements identified in the policy.

Incentives may require additional project assurance between the LGU and the recipient to document how this requirement will be met. SWCDs are not required to have an approved Nonstructural Land Management Cost Share plan on file for Clean Water Funds, but are encouraged to follow their NLMP if they have one.

**Q11: Is snow and ice equipment used in efforts to reduce chloride impairments eligible?**

**A:** Yes, this type of equipment is eligible.

**Q12: Is carp removal to improve water quality an eligible activity?**

**A:** Carp removal is an eligible in-lake management activity. See section 3.10 (a) of the policy for requirements.

**Q13: Are MINNFARM pollution estimates based on the pollution problem at the existing feedlot today or the reduction of pollution after the fix has been implemented?**

**A:** For the purposes of the application, BWSR needs to know the MINNFARM pollution data (index and loading numbers) from the existing feedlot that is currently a pollution problem. For funded projects, the pollution reduction achieved from implementing the fix must be entered into eLINK during the work plan and reporting phases of the grant.

**Q14: For underground manure storage structures, are the slats that are placed on top of the storage structure eligible for funding?**

**A:** No. Slats are considered a part of the barn or production facility, and are not considered part of the manure storage structure, and are not eligible for funding.

**Q15: Do Imminent Threats to Public Health Systems (ITPHS) need to be located on residential property or can they be located on commercial property?**

**A:** ITPHS need to be located on residential property. See section 3.8 of the policy.

**Q16: Can funds be used to provide an incentive payment for a BMP for longer than the grant timeframe? And can any incentive rate be used?**

**A:** All incentivized practices must have a minimum duration of at least 3 years with a goal of ongoing landowner adoption. BWSR reserves the right to review the incentive rate to ensure it is reasonable and justifiable, supported by grant recipient policy, consistent with prevailing local conditions and that it will be accomplished using established standards. BWSR staff have the authority to accept or deny that rate in the work plan if state funding is being requested and if the incentives proposed are for more than 3 years, BWSR's Executive Director must approve prior to work plan approval.

**Q17: What should the required feasibility study for in-lake management practices contain?**

**A.** The feasibility study could be the result of a number of studies over several years, but consolidated into a document that can be readily uploaded to eLINK to accompany the submitted grant application. Feasibility studies should assess the effectiveness of an in-lake treatment versus

implementing additional watershed treatment practices at this time. Key items the document(s) should address include but need not be limited to:

- a. Lake morphology and depth;
- b. a summary of water quality monitoring data including analysis of lake sediment cores when applicable;
- c. modeling to determine amount of external vs. internal phosphorus loading;
- d. percentage of external phosphorus loading treated and methodology used to determine the percentage;
- e. social implications of the in-lake management practice, such as receptiveness of the lake community to aquatic vegetative response resulting from improved water quality conditions;
- f. assessment of aquatic invasive species such as common carp control, curlyleaf pondweed, or other AIS;
- g. a schedule identifying the anticipated number and amount of treatments/doses;
- h. cost effectiveness;
- i. determination of effective life of the management practice and the entity responsible for any future maintenance needed to achieve the effective life;
- j. explanation of any other in-lake treatment completed in the past 15 years.

**Q18: Are flood control projects eligible for funding?**

**A:** The primary purpose of activities funded through this pilot program is to implement projects and programs that protect, enhance, and restore surface and ground water quality. Projects that provide multiple benefits beyond water quality are eligible and encouraged.

