



Grants Quarterly

July 2016

Minnesota Board of Water & Soil Resources • www.bwsr.state.mn.us

FY17 Grants approved

The Board of Water and Soil Resources (BWSR) approved a number of allocations for Fiscal Year 2017 (FY17) at their meeting on June 22, 2016, including funding for the Natural Resources Block (NRBG) Grant, Soil and Water Conservation District (SWCD) Program and Operations Grants, SWCD Capacity Grants, and Non-point Engineering Assistance (NPEA) Program. The FY17 Farm Bill Assistance Program was authorized at the May Board meeting.

Distribution of FY17 grant agreements will begin in July. You can find posted grant award amounts for the following programs:

- **FY17 SWCD Programs and Operations Allocations**
- **FY17 NRBG Allocations**
 - **FY17 NRBG Required Local Levy or Cash**
 - **FY17 NRBG WCA Base Grant Min. SWCD Transfer**
- **FY17 NPEA Allocations**
- **FY16 Local Capacity Amendments**

Note that FY17 NPEA grants will be distributed on the same grants agreement as the FY17 TSA Enhancement grant.

Important upcoming dates

- Aug 1:** Reporting deadline for grants that expired June 30, 2016
- Aug 8:** FY17 CWF RFP application deadline
- Oct 24-26:** BWSR Academy at Cragun's in Brainerd

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Grant agreement processing

Grant agreements from BWSR are distributed through eLINK, and an automatic notification will be sent to your organization's designated Day to Day Contact when the unexecuted grant agreement is available as well as when the grant agreement has been executed. Please verify your organization's Day to Day Contact in eLINK is up to date to ensure you will receive these notifications.

For more information on how to access your grant agreement, view the [Accessing Grant Agreements in eLINK](#) video.

To ensure prompt processing of your grant agreement, be sure to include your organization's authorized representative (typically located on the first or second page of the grant agreement). This should be the title of the representative, rather than a specific person's name, which eliminates the need to amend the grant agreement if the individual leaves the position.

FY17 Clean Water Fund RFP now open

The FY17 CWF RFP opened on Monday, June 27th, and will close at 4:30 pm on Monday, August 8th. Well Sealing funds are available this year, and the Multipurpose Drainage Management program returns for a second year. Learn more about this program by reading “Spotlight on Multipurpose Drainage Management” in this issue of Grants Quarterly, which highlights an MDM project now underway.

Applications must be submitted via [eLINK](#), BWSR’s grant management system. Applicants are strongly encouraged to begin the application process early so that they can request help if they need it. Eligible applicants without a current eLINK user account must submit an account request no later than 7 days prior to the application deadline.

FY17 Clean Water Fund Timeline:

- Aug 8, 2016 Application deadline at 4:30 PM*
- Dec 22, 2016 BWSR Board authorizes grant awards (proposed)
- Jan 2017 BWSR grant agreements sent to recipients (proposed)
- Mar 3, 2017 Work plan submittal deadline
- Apr 7, 2017 Grant execution deadline



Applicants for Projects and Practices may indicate their interest in AgBMP Loans or CWP Loans as part of the application process.

To learn more about the competitive grant opportunities available, including the RFP and Board-approved policy, please visit the [Apply for BWSR Grants](#) page.

FY17 Clean Water Fund Competitive Grants

Projects and Practices	\$8,865,000¹
Funds are to be used to protect, enhance and restore water quality in lakes, rivers and streams and to protect groundwater and drinking water. Eligible activities include structural and vegetative practices to reduce runoff and retain water on the land, livestock water quality projects, Subsurface Sewage Treatment System (SSTS) abatement grants for low income individuals, and stream bank, stream channel and shoreline protection projects.	
Accelerated Implementation	\$3,500,000¹
Funds are for projects and activities that supplement or exceed current state standards for protection, enhancement, and restoration of water quality in lakes, rivers, streams and tributary Chapter 103E drainage systems or that protect groundwater from degradation.	
Community Partners	\$765,000¹
Funds are to be used for community partners within a LGU’s jurisdiction to implement structural and vegetative practices to reduce stormwater runoff and retain water on the land to reduce the movement of sediment, nutrients and pollutants. LGUs will be the primary applicant and provide subgrants to community partners who are implementing practices to accomplish restoration, protection or enhancement of water quality in lakes, rivers and streams and/or protection of groundwater and drinking water.	
Multipurpose Drainage Management	\$875,000¹
This program funds multipurpose drainage management practices, targeting critical pollution source areas to reduce erosion and sedimentation, reduce peak flows and flooding, and improve water quality, while protecting drainage system efficiency and reducing drainage system maintenance for priority Chapter 103E drainage systems.	
Well Sealing	\$112,000
These funds are to be used to provide assistance to well owners for the sealing of unused wells in accordance with Minnesota Rules 4725.	
MN Dept. of Agriculture – AgBMP Loans	\$1,500,000
These low interest loans to farmers, rural landowners, and agriculture supply businesses support agricultural Best Management Practices that prevent or reduce runoff from feedlots, farm fields and other pollution problems identified by the county in local water plans. Any LGU may apply, but awards will be coordinated through existing contract holders.	

¹ Amounts shown are estimates, actual amounts will be determined prior to the end of the application period.

FY16 Targeted Watershed grants awarded

In May, the BWSR Board approved \$8.17 million in Targeted Watershed grant awards. This year's grant recipients include Buffalo Red Watershed District, Capitol Region Watershed District, East Polk Soil and Water Conservation District, a joint project between Fillmore and Root River Soil and Water Conservation Districts, Pelican River Watershed District, and Shell Rock River Watershed District.

The Targeted Watershed grant program began in FY14, and a total of 13 projects are now in progress under the program. Funds are awarded under a competitive process to local governments to target known water quality issues in a watershed or subwatershed over a four year grant period.



Installation of a bioreactor underway as part of a 2015 Targeted Watershed grant to Nicollet SWCD.

Spotlight on Multipurpose Drainage Management

Five LGUs were awarded Multipurpose Drainage Management (MDM) grants in FY 2016. One of those was Freeborn County and SWCD's "Working Together to Clean up Our Water." In a partnership between Freeborn Soil and Water Conservation District, the Freeborn County Drainage Authority, and the Turtle Creek Watershed District, they designated a priority Chapter 103E drainage system that was experiencing excessive sedimentation.

After analysis of the source of the sediment causing a need for multiple ditch cleanouts, the partners found erosion in tributary fields as far away as ½ mile off the public drainage ditch. Multiple BMPs are planned to reduce erosion and subsequent sediment transport to improve water quality and reduce ditch maintenance, including Water and Sediment Control Basins and a Grass Waterway. Match will be provided by the involved landowners, drainage system, SWCD, and Turtle Creek Watershed District.

This BWSR Clean Water Fund grant program was established in 2016 to target multipurpose drainage management for priority Chapter 103E drainage systems and the associated watersheds. Specific purposes include reducing erosion and sedimentation, detaining runoff to reduce peak flows and flooding, improving water quality and decreasing vulnerabilities to extreme rainfall, while protecting drainage system efficiency and reducing drainage system maintenance. This program integrates public and private funding for these purposes through project partnerships between county and watershed district drainage authorities and soil and water conservation districts.

State Cost Share Policy updates for FY17

In their meeting on June 22, 2016, the BWSR Board approved several changes to the [Erosion Control and Water Management](#) (commonly known as “State Cost Share”) program policy. These changes apply to nonstructural land management practices, buffer implementation, limits on the percentage of combined state and federal funds, and provide clarification in the relationship between the State Cost Share policy and the Grants Administration Manual.

The policy has been updated to reflect changes in statute (*Laws of MN 2015, 103C.501, Subd 5 (b)*) that now allow SWCDs, with approval from BWSR, to use cost share funds for nonstructural land management practices that are part of a planned erosion control or water quality improvement plan. This will enable SWCDs to request approval (via the Nonstructural Land Management Plan Instructions and Request Form) to provide financial assistance for nonstructural land management practices.

As a result of the Buffer Law, an addition to the Policy enables SWCDs to provide financial assistance to implement buffers at a flat rate in an effort to reduce administrative burdens for SWCDs and landowners. When accessing cost share related forms within the Grants Administration Manual, you will now find documents for either flat rate or percent based payments.

The revised Policy, beginning with FY17 grants, limits the combined state and non-state funds to 100% of the cost to implementing a project. Until now the Cost-Share Policy limited the combined state and federal combined funds were limited to 75% of the cost to implement a project. This is a means of achieving a higher degree of similarity between the Cost-Share Policy and the Clean Water Fund Policy. The Clean Water Fund Policy allows up to 100% of a project to be paid for as long as the entire CWF grant has the required 25% non-state match. Note the maximum state contribution remains unchanged at 75%.

Finally, Section 1 of the Policy has been edited to clarify the relationship of the State Cost Share Policy to the Grants Administration Manual. While the Grants Administration Manual is the primary policy framework for all BWSR grants, exceptions and additions specific to the State Cost Share program are identified within the Policy.

A number of changes have been made within the Grants Administration Manual in response to these changes, including updated forms. Please read the article in this Grants Quarterly on updates for FY17, or visit the [Grants Administration Manual](#) on BWSR’s website.

FY18-19 BBR update

In March and April of this year, local Governments from across Minnesota responded to BWSR’s request to submit planned water resource-oriented activities and budgets for the FY 2018-19 Biennium. The activities and projects submitted are contained in local water management plans and could be implemented within the biennium if funds were available.

The total State Fund Request identified by local governments was almost \$369 Million for the biennium. Over \$175 Million of additional matching and leveraged funds were identified bringing the total budgeted amount of activities and projects that could be acted upon within the biennium to just over \$544 Million or \$272 Million each year.

Clean Water Fund implementation requests make up just over half of that total amount: \$230 million for the biennium or \$115 million per year. Local government participation in statewide data collection, community engagement, and future water management planning using Clean Water Funds is included in the overall BBR request

The current Clean Water Fund competitive application is for FY17 funds. Local governments that submitted a BBR in May of 2014 will be awarded 5 points in the projects and practices category. Clean Water Fund grants in FY 2018 and FY 2019 will take into consideration the BBR submitted in 2016.

Grants Administration Manual updates for FY17

Several chapters and forms within the **Grants Administration Manual** (GAM) have been updated for FY17, with the changes applying to grants issued after July 1, 2016.

Many of the changes were necessitated by updates to the State Cost Share Policy, which now allows for flat rate as well as percent based payments.

Administrative Requirements

Three chapters within the Administrative Requirements section have been updated for FY17, including:

- **Financial Record Keeping:** Revised to be more consistent with the cost categories that are listed in the Allowable Costs chapter.
- **Grant Closeout Process:** Updated to reflect current eLINK processes and the differences between competitive/reimbursement-based grants and non-competitive/advance payment grants.
- **Prevailing Wage:** A sentence referring to private landowners as contractors has been removed. The CWF-specific chapter was eliminated.
- **Determining a Billing Rate:** The spreadsheets linked to within this chapter, “How to Calculate Billing Rates Including Overhead Costs of Facilities and Administration” and “How to Calculate Billing Rates Using MBR + 10%”, have been updated.

Implementing Practices

Items within this section have been updated or added to reflect changes within the FY17 State Cost Share Policy. For instance, you will now find forms for both flat rate and percentage based contracts.

All projects completed with BWSR grant dollars that involve vegetation restoration or establishment are subject to BWSR’s [Native Vegetation Establishment and Enhancement](#)

[Guidelines](#), which has been updated for FY17. The GAM now includes a [Vegetation Requirements](#) chapter which clarifies the components of these Guidelines that are required versus recommended guidelines.

- **Implementing Contracts with Land Occupiers**
- **Operation, Maintenance, and Inspection of Practices**
- **Vegetation Requirements**
- **Conservation Practice: Flat Rate (new)**
- **Conservation Practice: Percentage Based (new)**
- **Voucher and Certification: Flat Rate (new)**
- **Voucher and Certification: Percent Based (new)**

Programmatic Requirements

This section has been revised to link directly to the grant program pages on BWSR’s website. Policies for individual grant programs, if applicable, can be found on the grant program pages.

Optional and Example Forms

The following optional and example forms within the GAM have been updated for improved functionality and to make the documents useful to any LGU type:

- **Checklist for processing contract**
- **Contract Approval Letter**
- **Contract Denial Letter**
- **Corrective Action Plan Status**
- **Corrective Action Transmittal**