

Lac qui Parle – Yellow Bank Watershed District Cost Share Policy for the Lac qui Parle – Yellow Bank One Watershed One Plan Watershed Performance-Based Funding

April 26, 2023

I. INTRODUCTION:

- a. The Lac qui Parle – Yellow Bank One Watershed One Plan (1W1P) was developed as a result of legislation passed in 2012 that authorized the Minnesota Board of Water and Soil Resources (BWSR) to align local planning on watershed boundaries.
- b. Eight local governments entered into a Memorandum of Agreement (MOA) to develop the LqP-YB1W1P and include representatives from Area II, Lincoln County and SWCD, Lac qui Parle County and SWCD, Yellow Medicine County and SWCD, and Lac qui Parle – Yellow Bank Watershed District (LqP-YBWD). The mission of these organizations, along with the state agencies that cooperated in developing this plan, is to work together with citizens to restore and protect the water resources of the Lac qui Parle – Yellow Bank Watershed.
- c. Through this joint effort, a Steering Team, Advisory Committee, and Policy Committee were established. Each party identified by the Memorandum of Agreement has one voting member on the Policy Committee. The Steering Team consists of local staff and the Advisory Committee consists of local public community stakeholders. These groups will provide guidelines for the use of the 1W1P Watershed Performance-Based Funding.
- d. It is the recommendation of the Policy Committee that the-LqP-YBWD (hereafter referred to as the District)-acts as the fiscal agent of the Lac qui Parle – Yellow Bank One Watershed One Plan Watershed Performance-Based Funding grant through the Board of Water and Soil Resources (BWSR) through Minnesota Statutes, section 103D.335 District and Manager’s Powers.
- e. The Lac qui Parle – Yellow Bank One Watershed One Plan Policy Committee has set some guidelines as to how this funding should be spent.
- f. The District will abide by these guidelines and hereby establishes these ECWMP Policies.
- g. For each state fiscal year of cost share funds the District will consider recommendations put forth by the Steering Team, Advisory, and Policy Committees and review the Cost Share policy and make changes as needed.

II. PRIORITY

- a. The Steering Team, Advisory, and Policy Committees and the District have set priorities to better meet the goals of the 1W1P. The number of priorities met shall be totaled for each project and compared to others to determine which is/are funded. The priorities are as follows:
 - i. Project is within a priority subwatershed
 - ii. Proximity of the project to surface water that drains to the Lac qui Parle and Yellow Bank Rivers.
 - iii. Project is in a wellhead protection area.
 - iv. Project has applied for and been denied for other funding sources.
 - v. Project provides benefits to multiple concerns.
 - vi. Project is near and will provide benefits to impaired surface water.
 - vii. Project is supported by PTMAApp results.
 - viii. Project/practice type allows for the calculation of pollution reductions and the reduction estimations show a decrease of those pollutants.
 - ix. Project affects one of the lakes of significance identified in the 1W1P document.
- b. The list of priorities here is not exhaustive. Priority ranking and the pass/fail score threshold will be developed by the Steering Team and the Policy Committee and will be based upon the approved Lac qui Parle – Yellow Bank One Watershed One Plan. Ranking sheets and point values assigned may change with recommendations from the planning groups.

III. COST SHARE FUNDS

- a. The local SWCDs will start the cost share contract and complete the ranking. If the project ranks above the preapprove threshold set by the Policy Committee, then the contract will be sent to the District for approval.
- b. Utilizing state and non-state funds for a project will be considered on a case-by-case basis by SWCD staff. If a contract is approved as such, payment amounts from combined state and non-state sources shall not exceed the maximum cost share rate of 100%.
- c. The minimum amount of state cost share to be approved for a non-structural practice is \$300.00, unless amount left to encumber is less. The maximum amount of cost share for a non-structural practice is \$15,000 per contract, unless otherwise recommended by the Steering Team and non-structural contracts receiving recommendation from the Steering Team will have a cost share maximum of \$30,000 per cost share contract, unless recommended by the Policy Committee.

- d. Structural contracts will have a cost share maximum of \$50,000 that can be awarded from the Performance-Based Funding grant unless otherwise approved by the Steering Team and the Policy Committee. There will not be a minimum amount.
- e. Only non-farmable terraces will be covered by the full cost share percentages. Farmable terraces are allowed but will only be cost shared up to the cost of a comparable non-farmable terrace with the cooperator paying the difference.
- f. The allowable distance for a tile outlet is up to 3000'. Any tile beyond that length will be paid by the cooperator. Cost share funds will be used for the actual diameter of tile needed for the project, and not the diameter desired by the cooperation.
- g. Pre-Construction Cover is allowed when temporary cover is necessary for the future installation of structural conservation practices. A flat rate payment of up to \$150 per acre, not to exceed 20 acres, is allowed as part of a state cost-share contract for the installation of structural practice(s). Eligible acres are defined as; 1) The area needed to provide access to the location of the structural practice to be installed. 2) The area to be impacted during installation, this includes the actual location of the practice as well as any surrounding areas that will have disturbance during construction. The temporary cover is to remain in place until construction begins. A land occupier is only eligible to receive this payment once per cost-share contract, unless construction is delayed another year for reasons beyond the control of the land occupier.
- h. The local SWCD from the county the practice is implemented in will be responsible for the O&M inspections.

IV. PERCENTAGE RATES

- a. Percentage rates will only apply to structural practices.
 - i. Land occupiers must incur all expenses for project implementation and provide invoices or copies of paid receipts to verify all expense prior to requesting reimbursement and must sign a voucher.
- b. Total cost share will not exceed 100% of the eligible reasonable cost of the practices.
- c. Practices in the priority subwatersheds will be eligible to be cost shared at 90%. Practices that are in the Lac qui Parle – Yellow Bank 1W1P planning boundary, but are not located in a priority subwatershed, will be eligible to be cost shared at 75%.
- d. Practices may be cost shared at a rate of a 100% with approval by the Policy Committee and the District.
- e. Cost share will not be calculated including permit costs.
- f. Nonstructural Land Management Practice (NLMP) will be paid with a flat rate set forth by the district.

V. FLAT RATE COST SHARE

- a. Flat rate cost share will be used for nonstructural practices.
- b. Flat rates will be used as an alternative to actual costs documented by receipts or

- c. The District will enter into one contract with each individual land occupier for 3 years of the practice.
- d. The land occupier will be paid in one lump-sum payment after the initial year the practice has been installed and certified complete by the technical representative.
- e. The remaining years of the practice will be completed under the operation and maintenance plan and inspected annually by a technical representative of the SWCD.
- f. The rates and general requirements for Nonstructural Land Management Practices (NLMP) are as follows:
 - i. Flat rates based off of EQIP rates in surrounding states.
 - ii. Flat rates can be paired with enhancements to increase payment rate and impacts, as outlined in Table 1 below:

| Table 1: Non Structural Land Management Practices and enhancements | | | | | |
|--|--|-----------|--|--|---|
| Cover Crop payment rates | | | | | |
| | | Base rate | Enhancement 1: CC on same acres during life of contract (\$10/ac increase in base) | Enhancement 2: First time land occupier (\$10/ac increase in base) | Combination of Enhancement 1 + 2 (\$20/ac increase in base) |
| Single Species | | \$50/ac | \$60/ac | \$60/ac | \$70/ac |
| Multi species | | \$60/ac | \$70/ac | \$70/ac | \$80/ac |

| Reduced Tillage payment rates | | | | | |
|---|--|-----------|---|--|---|
| Required on same acres through life of contract | | | | | |
| | | Base rate | Enhancement 1: Planting Single species CC on same acres during life of contract | Enhancement 2: Planting multi species CC on same acres during life of contract | Enhancement 3: First time land occupier (\$10 increase in base) |
| No-till | | \$30/ac | \$90/ac | \$100/ac | \$40 |
| | | | Combination of Enhancement 1 + 3 | Combination of Enhancement 2 + 3 | |
| | | | \$100/ac | \$110/ac | |

- iii. Rates will be reviewed and adopted annually by the Policy Committee.
- iv. Cover Crops
 1. Must follow NRCS Practice Standard 340.
 2. No Tillage, with the exception of strip till and manure application, is allowed on planted acres until a reasonable beginning date of spring tillage.
 3. Grazing by livestock is permitted any time it does not affect the initial development of plants.
 4. Three Year Annual installation of cover crop.
 - i. The above rate will be paid a lump sum, three times per acre for a minimum of following standard

recommendations for establishment of a multiple species cover crop rotation.

ii. EXAMPLE: "3 years of Cereal Rye, Turnips, and Tillage Radish on 40 acres" "3 x 40 x \$60= \$7200 lump sum."

v. Residue and Tillage Management

1. Must follow NRCS Practice Standard 329 for "No-Till/Strip-Till."

2. Three Year reduction of tillage.

i. The above rate will be paid a lump sum, three times per acre for a minimum of following standard recommendations for cessation of tillage.

ii. EXAMPLE: "3 years of no-till on 40 acres" "3 x 40 x \$30= \$3600 lump sum."

3.

VI. TECHNICAL EXPERTISE

a. Technical services will be provided by local SWCD staff with appropriate job approval authority; conservation partners with appropriate job approval authority (such as: Natural Resources Conservation Service and/or Southwest Prairie Technical Service Area); a professional licensed engineer, and/or reputable vendor with applicable expertise and liability coverage.

VII. PRACTICE STANDARDS

a. All practices must be consistent with USDA Natural Resources Conservation Services Field Office Technical Guide (FOTG), Minnesota Stormwater Manual, or be professionally accepted engineering or ecological practices. Design standards for all practices must include specifications for operation and maintenance for the effective life of the given practice, including an inspection schedule and procedure.

VIII. CONTRACT NONCOMPLIANCE

a. The District, after learning of potential non-compliance, will:

i. Review applicable law and rule.

ii. Review project file contents, contract, and operation/maintenance plan.

iii. Will have the local SWCD conduct on-site investigation, include pictures, and complete a site inspection form, if this has not already been done.

iv. Will coordinate with the local SWCD to interview the land occupier.

v. If determined that land occupier is in compliance, the District staff will document this decision and no corrective action is needed.

vi. If determined that land occupier is not in compliance, the District staff will present to the District Board of Managers their findings and corrective action plan.

vii. If the District Board of Managers agrees that a non-compliance condition exists, a corrective action plan will be completed by the local SWCD and sent via registered mail to the land occupier by the District. The corrective action plan will make reference as to why the practice is not in compliance; specify what the land occupier must do to correct the situation and give deadlines for corrective action to be completed. The local SWCD will consult with the District regarding contents of the corrective action plan.

- viii. If the District Board doesn't agree that a non-compliance condition exists, then it will be documented and no corrective action plan is needed.
 - ix. The local SWCD staff will follow up to make sure land occupier completes corrective action in the time allotted and the SWCD staff will follow up with the District.
 - x. If land occupier fails to implement the corrective action plan, the land occupier will be considered in a "violation" status. The District will contact the Board of Water & Soil Resources Board Conservationist and at this time ask for the state's assistance.
- b. If the land occupier fails to maintain the practice during the practice duration, they will be liable to the District for 150% of the payment received for the practice.

IX. OTHER POLICIES APPLICABLE TO THE PROGRAM

- a. **Cost Share Contract:** A contract between the District and land occupier receiving state funds is required to provide a legal standing to insure practices are installed and maintained according to approved standards and specifications. The District must approve or deny the contract. The land occupier must not start construction of the practice until the District approves the cost share contract. If construction starts prior to approval the land occupier will not be eligible for Performance-Based Funding cost share funds.
- b. **Contract Approval:** The District Board will approve or deny the contract. The action taken will be documented in the District's meeting minutes and notification of the decision will be sent to the land occupier. Approval of contract is considered approval for expenditure of funds. The District Board delegates signing contracts and supporting program documents to the District Board Chairperson and/or the District Administrator.
- c. **Contract Amendment:** Changes to an executed contract are considered an amendment to the contract and subject to review and approval by the District Board. Prior to approving an amendment, technical staff must attest that the amendment has merit. Amendments shall not be considered or approved after the end of the contract or after approval to issue final payment on the original contract has been made. Amendments are limited to changes in practice specifications, installation dates, land occupier information, practice components, or cost share amounts.
- d. **Partial Payments:** The District may consider allowing partial payments. The partial payment requests will be reviewed on an individual basis. Land occupiers not completing partially paid projects shall be considered violation of state statute and shall be directed, unless otherwise authorized by the state board, to return one hundred fifty percent (150%) of the amount of financial assistance received.
- e. **Staff Approval:** The District authorize staff members to approve certain project contracts up to a specified dollar amount. The applicable projects and amount will

be set through an approved motion of the District Board of Managers and reflected in official District meeting minutes.

APPROVED BY LAC QUI PARLE- YELLOW BANK RIVER BOARD OF MANAGERS

YEAS_____ **NAYS**_____

ATTEST:_____, **LQP-YBWD CHAIR**

DATE:_____