



LOWER MINNESOTA RIVER WATERSHED DISTRICT

Executive Summary for Action

Lower Minnesota River Watershed District Board of Managers Meeting

Wednesday, November 15, 2023

Agenda Item

Item 5. B. – Water Resource Restoration Fund Program

Prepared By

Linda Loomis, Administrator

Summary

The LMRWD started the Water Resource Restoration Fund Program when the Comprehensive Watershed Management Plan was updated in 2018. The goal was to give the LMRWD flexibility to fund projects that may not have been included in the Plan implementation strategies, without going through a plan amendment process.

Opportunities for the LMRWD to assist municipalities implement projects that meet the goals of the LMRWD frequently arise and municipalities may not have been aware of certain projects at the time the LMRWD Plan was developed. Municipalities would ask the LMRWD to participate in the funding of these projects. Since the projects were not in the plan, funding for these projects was not included in the LMRWD budget. This made it difficult for the LMRWD to assist municipalities with these projects even though they met the goals of the LMRWD and were projects the LMRWD wanted to see completed.

Since the creation of the Water Resource Restoration Fund Program, the Board of Managers questioned how equitable this project was, how to determine which projects should be funded and how to make sure the best projects were being funded. Young Environmental Consulting Group has developed a grant application process for this program. Recommendations are attached for the Board of Managers to review. Once the Board approves the process, the LMRWD will share this program with all the cities during the upcoming annual check-in with the municipalities.

Attachments

Technical Memorandum – Water Resource Restoration Fund – Grant Application Process dated November 8, 2023

Recommended Action

Motion to approve Water Resource Restoration Fund Grant Application Process and authorize implementation.

Technical Memorandum

To: Linda Loomis, Administrator
Lower Minnesota River Watershed District

From: Erica Bock, Water Resources Scientist
Della Schall Young, PMP, CPESC, CTF, Principal Scientist

Date: November 8, 2023

Re: Water Resources Restoration Fund – Grant Application Process

The Water Resources Restoration Fund is a broad-based fund that implements Goals 2 and 3 of the Watershed Management Plan to protect, improve, and restore surface water and groundwater quality within the Lower Minnesota River Watershed District (LMRWD). Throughout the year, the LMRWD receives various requests from cities to solicit funding. Because the requests are received at different times, it is difficult to complete comparative assessments. To mitigate the issue and fund projects with the best return on public investment—and to improve the efficiency of evaluating proposed projects—Young Environmental has developed a Water Resources Restoration Fund (Fund) Application process for consideration.

The Fund application process incorporates three associated documents, all attached below. We recommend the following timeline: 1) Release the process in November following the Board meeting, 2) evaluate applications in February and March, and 3) provide Young Environmental’s recommendation to the Board in March or April 2024.

- **Attachment 1: Grant Information**, includes information that will be posted on the website regarding grant information and eligibility.
- **Attachment 2: Process Information**, includes information on the grant process and award information, which would be provided as a .pdf attachment on the website.
- **Attachment 3: Water Resources Restoration Fund Application**, which applicants will fill out to apply for funding.

Recommendation

Staff recommends consideration and approval of the Fund application process and supporting materials and subsequent distribution of the information to the local government units within the district.

Attachments

- Attachment 1—Grant Information
- Attachment 2—Process Information
- Attachment 3—Water Resources Restoration Fund Application



Lower Minnesota River Watershed District Water Resources Restoration Fund Application

Grant Program Information

The Lower Minnesota River Watershed District (LMRWD) aims to work cooperatively with local government units (LGUs) on issues affecting LMRWD resources and share costs on projects that protect or enhance these resources.

The Water Resources Restoration Fund is a program that funds projects sponsored by LGUs that:

- reduce urban nonpoint source pollution;
- improve and protect groundwater quality; and
- promote surveys and studies of wetland (particularly calcareous fen) health and management

The LMRWD aims to undertake projects jointly with LGUs and will place higher priority on funding projects that are identified in the LMRWD Watershed Management Plan (WMP) and in LGU implementation plans (e.g., comprehensive plans or surface water management plans).

Projects for consideration are those that benefit river navigation, protect high value resource areas¹ and steep slopes², address erosion and sediment control, grant public access, and promote public enjoyment of resources within the LMRWD. Projects should also have a quantifiable benefit (i.e.: pollutant reduction, stormwater volume reduction, water quality improvement, stream habitat assessments, bank stability indexes, etc.). Targeted projects to receive funding are those that align with the LMRWD goals and strategies as mentioned in the LMRWD WMP.

The LMRWD has up to **\$100,000 per fiscal year** as part of the **Water Resources Restoration Fund** as outlined in the LMRWD WMP Implementation Program Budget. Funds are awarded up to **25% of a project's cost** on a reimbursement basis for project implementation. The LMRWD will award up to 25% of the lesser of the engineer's cost estimate or bided construction cost the project. Funds can be used for project materials, labor, engineering, or consulting fees.

Eligibility:

- Project must be in the LMRWD (see [LMRWD Map](#)).
- Project must be sponsored by an LGU.
- Projects must meet or exceed minimum regulatory requirements.
- Projects must obtain all applicable federal, state, and local permits.
- Funding will not be awarded for projects to meet existing regulatory requirements. Funding may be awarded for the implementation of best management practices (BMPs) that will provide water resource benefits beyond permit requirements.

¹ High value resource areas (HVRA) are a portion of land (or watershed) that contributes direct surface runoff to a trout water and/or calcareous fen within the LMRWD.

² Steep slopes are a natural topographic feature that have an average slope of 18% or greater measured over a horizontal distance of 25 feet or more.

The following examples are eligible projects that meet the LMRWD goals; however, this list is not comprehensive.

Reduce Urban nonpoint pollution:

- Gully (ravine) stabilization projects
- Streambank stabilization projects
- Reducing discharge over the steep slopes overlay district (SSOD)
- Stormwater management to reduce pollutants such as total phosphorus and total suspended solids
- Ecological restoration projects
- Stormwater capture and reuse projects
- Shoreline restoration projects

Improve Groundwater quality:

- Chloride management and reduction projects
- Projects promoting groundwater recharge
- Projects improving water quality and increase the capacity of the soils to store or infiltrate water

Promote surveys and studies of wetland health and management:

- High value resource management plans or studies (trout stream, calcareous fens, steep slopes)
- Wetland habitat projects that preserve, protect, and restore native plant and wildlife habits
- Resource monitoring of groundwater levels or water quality
- Educational campaigns promoting high value resource management and awareness
- Vegetation management studies to reintroduce native plants, control invasive plant species, and improve wildlife habit

Application Information

Deadlines:

Submit a complete application and all required information by Thursday, February 29, 2024.

Application Status:

The LMRWD will provide the following email notifications to grant applicants updating them on their grant application status during the review process:

1. Acknowledgement of receipt of application email (within 2 business days of application submittal)
2. Proposed funding recommendation email (15 business days before the LMRWD Board Meeting where recommended projects will be considered)
3. Approved recommendation/next steps email (within 2 business days after approval at LMRWD Board Meeting)



Lower Minnesota River Watershed District Water Resources Restoration Fund Application

Process

The LMRWD has up to \$100,000 per fiscal year as part of the Water Resources Restoration Fund as outlined in the LMRWD Water Management Plan Implementation Program Budget. Funds are awarded up to 25% of a project’s cost on a reimbursement basis for project implementation. Funds can be used for project materials, labor, engineering, and consulting fees. If the applicant wishes to use the grant funds for project construction, the LMRWD will award up to 25% of the lesser of the engineer’s cost estimate or bided construction cost of the project.

This is a summary of the review process for Water Restoration Fund applications:

1. Submitted applications are reviewed for completeness and eligibility.
2. Eligible/complete applications are reviewed by staff according to criteria and scoring metrics in Table 1. Staff will reach out requesting additional information or schedule meetings, as needed.
3. Staff notifies applicants whether their projects will be considered by the LMRWD Board of Managers for funding.
4. Staff provides a funding recommendation to the LMRWD Board of Managers in accordance with Table 2.
5. The LMRWD Board of Managers votes to approve or deny the funding recommendations. The LMRWD Board of Managers meets on the third Wednesday of each month. It is recommended that applicants attend the Board Meeting to answer Board Member questions about their project.
6. If a funding request is approved, the LMRWD and the LGU will execute a grant agreement.
7. After agreement has been signed by both parties, LMRWD will provide funding on a reimbursement basis when receipts and summaries are submitted, up to 25% of the total project cost (lesser of the engineer’s cost estimate or bided construction cost). The LMRWD will not reimburse funds that exceed the grant agreement amount. No invoices of work completed prior to an executed grant agreement may be submitted to the LMRWD for reimbursement.
8. The LMRWD will hold 10% of the funds until the project is successfully completed and a final report is submitted.

Table 1. Application Evaluation Scoring Metrics and Criteria

Scoring Metric	Definition	Max Points
1. Project Type	The Project Type Score considers whether a proposed project is a tributary to an impaired waterway, if it solves an issue previously identified by the community or LMRWD plans, and whether the project is explicitly included in the LGU or LMRWD plans.	24
2. Plan Goals Addressed	The Plan Goals Addressed Score gives credit depending on how well-aligned a proposed project is with the goals of the LMRWD Watershed Management Plan (Section 3.0). Projects are assigned a score of 0-9 based on how many of the LMRWD goals are addressed.	9
3. Stormwater Volume Control	The Stormwater Volume Control Score gives credit to projects that exceed the standards for stormwater runoff volume management. Projects are assigned a score of 0-7 based on the amount of volume reduction that the proposed project provides.	7

Scoring Metric	Definition	Max Points
4. Pollutant Management	The Pollutant Management Score gives credit to projects that exceed the amount of water quality treatment provided beyond what is required for regulatory purposes. Projects without a pollutant reduction component (beyond regulatory requirements) will receive a score of 0, whereas those reducing pollutant loading beyond regulatory requirements to downstream resources can receive a score of up to 7.	7
5. Habitat Restoration	The Habitat Restoration Score gives credit to projects that provide habitat benefits. Projects with no habitat benefit receive a score of 0. Projects that include habitat creation or enhancement as the primary purpose of the project receive a score of up to 7.	7
6. Streambank Stabilization	The Streambank Stabilization Score gives credit to projects that restore or stabilize degraded streambanks or shorelines. A project is assigned a bank stabilization score based on the length of the stream bank or shoreline restored or stabilized and the level of existing degradation. This metric is only applied to projects with a designed restoration component (versus indirect benefits). Projects without a designed streambank or shoreline restoration component are assigned a score of 0. Projects that stabilize more than 100 feet of streambank or shoreline restoration receive a score of up to 7.	7
7. Watershed Benefits	The Watershed Benefits Score gives credit to projects that provide benefits beyond the immediate site location. Scores are based on where the proposed project is located within the watershed, giving greater weight to those in the upstream reaches of the watershed.	7
8. Partnership Opportunities	The Partnership Opportunity Score gives credit to projects that allow the LMRWD to partner with other organizations. The LMRWD is interested in being a project partner with its member communities. A project receives the maximum score of 7 if one or more of the partners (including the applicant) is a financial contributor to the project.	7
9. Public Education	The Public Education Score gives credit to projects that spread awareness of the LMRWD's projects and their benefits to the public. The score is based on the accessibility of the final project, giving the greatest weight to those on public lands with public access and ability to spread public awareness and education.	7
Total Score		82

Table 2. LMRWD Funding Request Scoring Priority

Project Score	Priority	Recommended Action
0–19	Low	Do not recommend funding requests at this time; additional information may be needed to evaluate the potential project more fully.
20–40	Low-to-Moderate	Work with applicants to incorporate more LMRWD goals, policies, or strategies.
41–61	Moderate-to-High	Consider partial funding requests, with funding amount and design components that align with LMRWD priorities.
62–82	High	Recommend up to 25% of the funding request as presented.

Award Information

Grant Award

Applicants will be notified of the proposed recommendation via email 15 business days before the LMRWD Board meeting where funding recommendations will be presented. After the LMRWD Board meeting, the applicant will be notified of an approved or denied funding request. If a project is approved, the applicant will then enter into a grant agreement with the LMRWD. No invoices for work completed prior to an executed agreement may be submitted to the LMRWD for reimbursement.

Executing Grant and Maintenance Agreement

Each applicant selected is required to enter into a grant agreement with the LMRWD defining the obligations of the applicant and the LMRWD. Any amendment to the terms of the agreement will be through a mutual written agreement signed by all parties to update the original document.

The agreement includes, but is not limited to, items such as promoting and acknowledging LMRWD sponsorship, reporting, payment schedule, terms of the agreement and use of funds, cost overruns, and cancellation. The agreement also allows the LMRWD access to the project area for evaluation and promotion of the project.

Payments

Payments from the LMRWD to the grantee are reimbursement-based and require receipts or paid invoices as well as a summary of the work completed as part of the receipt/invoice. LMRWD can reimburse funds throughout the project as requested by the grantee, up to the final grant amount, as agreed upon in the grant agreement. The LMRWD will hold 10% of the funds until the project is successfully completed, and a final summary report is submitted and approved. If the grant money is being used for construction of a project, the LMRWD reserves the right to access the project area for inspection before releasing funds.

Grant Reporting Requirements

Grant Monitoring

The LMRWD will require a site visit (or virtual meeting if it is a program or study) during the project. The site visit will document project status and is intended to ensure that work is performed as part of the grant agreement.

Summary Reports

A narrative providing a summary of the work completed with each invoice is required. The summary may include work completed as part of the receipt/invoice, construction updates, photos, and project timelines.

Final Summary Report

Within 30 days after project completion, a final summary report must be submitted with receipts or paid invoices before final reimbursement can be dispersed. Grantees will be required to include original receipts of the expenses, and digital photos of project components. Additionally, electronic copies of all education materials produced shall be provided to the LMRWD when applicable.



Lower Minnesota River Watershed District (LMRWD) Water Resources Restoration Fund Application

Fill out the project application. The following information is required for all projects.

Project Information	
Project Name:	
Address/Cross Streets:	
Property Owner Name:	
City:	
County:	
Project Contact Name:	
Project Contact Phone:	
Project Contact Email:	
Land Access:	<input type="checkbox"/> Private Access Only <input type="checkbox"/> Partially Private Access <input type="checkbox"/> Partially Public Access <input type="checkbox"/> Public Access
Describe Access Location:	
Attach access map showing:	
<ul style="list-style-type: none"> • Public versus private land • Limits of disturbance • Property lines and property ownership • Right-of-way (ROW) and access information 	
Attach project map showing:	
<ul style="list-style-type: none"> • Project location • Project features • Watershed boundary (if applicable) • Waterbodies to which the project drains • Calcareous fens (if applicable) • Trout streams (if applicable) • Minnesota Pollution Control Agency (MPCA) Impaired Waters (if applicable) 	
List Project Partners:	

What is the proposed project schedule? (Estimated schedule is acceptable. Please indicate the finality of the schedule. For construction projects, at a minimum, provide the estimated bid opening date, construction start date, and length of anticipated construction.) Describe factors that may affect your anticipated schedule, if any.

Provide a project narrative informing the LMRWD how the project addresses similar goals of the LMRWD Watershed Management Plan ([Watershed Management Plan, Section 3: Goals, Policies, and Strategies](#)). Address how the project meets of the goals of the local governmental unit's (LGU) surface water management plan. Describe the goals, need, size, and quantifiable benefits of the project. Project narratives should include a summary of existing and proposed conditions. Reference attachments as necessary.

Funding	
Funding Amount Request from LMRWD (up to 25% of total cost):	\$ _____
Matching Funds from applicant and additional partners	Applicant Contribution \$ _____
	\$ _____
	\$ _____
	\$ _____
Total Project Cost (attach engineer's cost estimate if project has not yet been bid or fee estimate if your project is not a construction project)	\$ _____
Attach cost/fee estimate or bidded construction cost	
Is the project in the LMRWD Watershed Management Plan Capital Improvement Projects Section (pg. 188/259 of the Watershed Management Plan)?	<input type="checkbox"/> Yes (If Yes, what is the name of the project as identified in the Plan?): _____ <input type="checkbox"/> No
Is the project included in the LGU Local Comprehensive Plan or LGU Surface Water Management Plan (SWMP)?	<input type="checkbox"/> Local Comprehensive Plan Location (Section and Page No.): _____ <input type="checkbox"/> SWMP Location (Section and Page No.): _____
What waterbody(s) does your project drain to?	Name(s): _____
Are any of these waterbodies an MPCA listed impaired water, designated trout stream, calcareous fen, or Minnesota Department of Natural Resources (DNR)-Protected wetland? Minnesota Impaired Waters List	<input type="checkbox"/> Yes (If Yes, Name/s): _____ <input type="checkbox"/> No
What issues does the project address within the LGU Local Comprehensive Plan or SWMP?	

Please fill out the rest of the application form as it applies to your project.

The following sections may not apply to all projects.

If a section does not apply, please select not applicable (N/A).

Stormwater Volume Control	
Does your project propose any volume control or reduction of stormwater runoff?	<input type="checkbox"/> Yes <input type="checkbox"/> N/A
If yes , what is the estimated total volume reduction? (Ensure your project narrative describes method of stormwater volume control)	

Pollutant Management	
Does your project propose pollutant management to prevent impairment or protect downstream resources?	<input type="checkbox"/> Yes <input type="checkbox"/> N/A
Is the downstream resource impaired for any pollutants? Minnesota's Impaired Waters List	<input type="checkbox"/> Yes (If yes, list the impairments): <hr/> <input type="checkbox"/> No
What are the pollutants targeted and their percent reduction because of the project? (Ensure that your project narrative describes the method of pollutant management)	Pollutant
	Percent Reduction

Brief Description of Habitat Restoration Benefits
<p>Please provide a brief description (500 words or less) about how the proposed project provides habitat benefit (i.e. increase in native plantings, removing dams, aquatic connectivity, riparian restoration, wetland restoration, forest management). If project is in a stream or river, please provide the MPCA Stream Habitat Assessment (MSHA) score (or other stream habitat assessment), documentation, and photos (if applicable).</p>

Streambank Stabilization	
Is there a designed streambank restoration component of the project?	<input type="checkbox"/> Yes If Yes, what is the proposed length to be stabilized: _____ <input type="checkbox"/> N/A
Has the current bank stability been evaluated? (i.e. Bank Erosion Hazard Index, MPCA Channel Condition and Stability Index, Minnesota Department of Transportation (MnDOT) Hydlnfra, etc.) Please attach supporting documentation.	<input type="checkbox"/> Yes <input type="checkbox"/> No
What is the current streambank stability? Please attach supporting documentation and photos.	<input type="checkbox"/> Very Stable <input type="checkbox"/> Stable <input type="checkbox"/> Moderately Unstable <input type="checkbox"/> Unstable
Permitting	
Does the project trigger any LMRWD Rules (if applicable)?	<input type="checkbox"/> Rule B: Erosion and Sediment Control <input type="checkbox"/> Rule C: Floodplain and Drainage Alteration <input type="checkbox"/> Rule D: Stormwater Management: <input type="checkbox"/> Rule F: Steep Slopes <input type="checkbox"/> N/A
If the project triggers LMRWD Rules, summarize how the project intends to comply with the Rules (i.e. stormwater management).	
Provide documentation of additional permitting requirements from regulatory agencies (e.g., Minnesota DNR, MPCA, and/or additional city permits). Identify which permits are required and provide their status (in-progress, obtained, etc.) Before funds are dispersed, copies of approved permits will be required; however, approval is not required for application eligibility.	
Permit	Status

Construction Plans

Attach Construction Plan Sheets
(if applicable)