

Grant Program Requirements:
FY26 Multipurpose Drainage Management Grant Program

1. Match

A non-state match equal to at least 10% of the amount of the grant received is required. The anticipated source(s) for the match shall be identified in the grant work plan. Match can be provided by a landowner, land occupier, private organization, 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. State funded loans repaid with non-state funds may be used for the match. Funds used for match for this program cannot be used as match for any other state grant program.

2. Grant Work Plan

A work plan shall be developed in eLINK and must be approved before execution of the grant agreement. The work plan shall reflect each eligible activity that will be implemented, a description of the anticipated activity outcomes or accomplishments, and grant funding amounts to accomplish each of the activities.

3. Eligible Activities

Technical and Administrative Activities

Clean Water Funds may be used for actual technical and administrative expenses to advance project implementation. Eligible expenses include the following activities: grant administration, site investigations and assessments, design and cost estimates, construction supervision, and construction inspections.

Project Support

Eligible activities include public participation and engagement, equipment, and other activities necessary for the implementation of water quality practices consistent with the purposes of these funds. Refer to the Grants Administration Manual for Capital Equipment Purchases.

Practices

Practices must have a primary purpose of water quality improvement and be conducted on, adjacent to, or within the contributing watershed of, a Priority Chapter 103E Drainage System(s). Structural projects and practices must be of long-lasting public benefit. LGUs must provide assurances that the landowner or land occupier will keep the project in place for the effective life of the project. The following is a list of the only eligible conservation practices and activities for this program.

1. NRCS Conservation Practice Standard (CPS) Code 410 Grade Stabilization Structure:
Adjacent to a Chapter 103E drainage ditch or within the watershed of the drainage system to reduce erosion and provide temporary detention to trap sediment and nutrients, reduce peak flows, improve water quality and maintain the efficiency of the drainage system. When proposing side inlet structures, drop inlet type structures with temporary detention are preferred. When proposing side inlet structures in combination with a continuous berm along a Chapter 103E drainage ditch, eligibility is limited to the side inlet pipes and construction of an average 3 ft. high (above existing ground) berm.

2. CPS Code 412 Grassed Waterway: To convey concentrated runoff without causing erosion or flooding, prevent or reduce gully erosion, and improve water quality.
3. CPS Code 638 Water and Sediment Control Basin: To prevent or reduce gully erosion, trap sediment and nutrients, reduce and manage onsite and downstream runoff, improve downstream water quality, and improve farmability of sloping land.
4. Open tile inlet replacement: Replacement of existing open tile inlets with water quality improvement inlets (e.g. perforated riser, dense pattern tile, or gravel inlet) in accordance with NRCS CPS Code 606 Subsurface Drain, as applicable, to reduce sediment entering a Chapter 103E drainage system via subsurface drainage tile.
5. CPS Code 658 Wetland Creation or CPS Code 657 Wetland Restorations
 - a) CPS Code 658 Wetland Creation: To improve water quality of storm water runoff or other water flows. The constructed wetland shall be designed to reduce nutrient and sediment loading and provide other water quality benefits. Project location must be identified at time of proposal.
 - b) CPS Code 657 Wetland Restoration: To provide storage and treatment of surface and subsurface drainage water to reduce peak flows, erosion, and nutrient and sediment transport to receiving waters. To be an eligible wetland restoration under this program the applicant must demonstrate that the proposed activity includes an area which was historically a wetland. The design shall be consistent with the BWSR MN Wetland Restoration Guide or the USDA-NRCS Field Office Technical Guide. Project location must be identified at time of proposal.

Wetland Creations or Wetland Restorations require a perpetual easement to be held by the Chapter 103E drainage authority. Easements held by any other entity are not eligible for this program. The perpetual easement must be approved by the Board of Water and Soil Resources (BWSR) for locations within the watershed of a Chapter 103E drainage system. Total state contribution to easement payment rates shall not exceed current standard Reinvest in Minnesota (RIM) rates. Lands eligible for the RIM crop rate must have annually planted crop 2 of the last 5 years or meet other requirements as listed in MN Rules Section 8400.3030. The perpetual easement must include an upland buffer of perennial native vegetation around the wetland area having a minimum width of 30 feet and average width of 50 feet, except where the wetland boundary is adjacent to a road right-of-way or property boundary. Design and construction cost components necessary for wetland and upland buffer restoration are eligible.

6. NRCS Conservation Activity Plan (CAP) 130 Drainage Water Management Plan: To reduce and treat nutrient loss and improve downstream water quality. The CAP 130 can include controlled subsurface drainage, denitrifying bioreactor, and saturated buffer components. The plan must be developed by a Technical Service Provider (TSP) certified in the NRCS Tech Reg for CAP 130.

7. CPS Code 587 Structure for Water Control: For use on existing or new tile drainage systems to improve downstream water quality by managing soil profile water levels using controlled subsurface drainage to reduce tile flow and nutrient transport, in accordance with an associated CAP 130.
8. CPS 554 Drainage Water Management, Implementation/Operation: A CAP 130 is required. For areas where controlled subsurface drainage structures have been installed to manage soil profile water levels, payments must follow EQIP rate schedule.
9. CPS Code 604 Saturated Buffer: For existing or new tile drainage systems to improve downstream water quality primarily by reducing the nitrate content of subsurface drainage water treated by the saturated buffer.

CPS Code 605 Denitrifying Bioreactor: For existing or new tile drainage systems to improve downstream water quality primarily by reducing the nitrate content of subsurface drainage water treated by the denitrifying bioreactor

4. Ineligible Activities

- Tile not needed to support establishment of a conservation practice listed in the eligible practice list above;
- Ditching not associated with a wetland restoration or construction, including two-stage ditches;
- Grade stabilization structure(s) on the centerline of a Chapter 103E drainage system;
- Flap gates that prevent back-flow into side inlet structure pipes;
- Bridges or culverts through roads;
- Water quality monitoring;
- Buffers that are required by law (including Drainage Law and Buffer Law), incremental buffer strips under Section 103E.021, Subd. 6, or buffer establishment for a saturated buffer.
- Components required by 103E Drainage Law.

5. Native Vegetation

Projects that involve vegetation restoration or establishment must use native vegetation and seed and plant sources consistent with BWSR's Native Vegetation Establishment and Enhancement Guidelines, with the exceptions listed below. Use of plant species on the Minnesota [Noxious Weed List](#) is prohibited for all projects. Non-native species used for projects must not pose a risk to native plant communities. The maximum distance for sources of herbaceous species seed and plants is 200 miles; and for tree and shrubs seed and plants the distance is 300 miles.

Exceptions

- Non-native, non-invasive perennial crops, hay crops or forage crops may be used:
 - As part of a drinking water protection strategy in a vulnerable or highly vulnerable DWSMA as designated by the Department of Health or in a Township Well Testing high-priority area as determined by the Department of Agriculture;

- In buffers, borders, grass waterways or other areas likely to be exposed to pesticides or part of agricultural production;
- For soil stabilization, erosion prevention and carbon sequestration in an agricultural production setting;
- On fields that will be hayed, grazed or harvested.
- For the exceptions above, if the project area is under 20 acres in size, the exception may be approved by local conservation staff. If the project area is 20 acres or larger, or for any exceptions not listed here, grantees must request approval from the BWSR Grant Manager.
- Cover crops used to improve soil health and/or water quality are allowed without a maximum acreage limit.
- Temporary cover is allowed without a maximum acreage limit when needed to stabilize project sites prior to the construction of structural conservation practices.
- Cultivars of native species may be used in urban stormwater plantings if they accomplish similar or greater ecological functions, help achieve aesthetic goals and do not pose an invasive or other environmental risk.

6. Allowable and Unallowable Costs

Allowable costs are costs solely incurred through project activities that are directly related to and necessary for producing the project outcomes described in the work plan. Grantee is required to account for the staff time charged to BWSR grants in order to track the expenditure of grant funds and match to ensure the use of the funds is consistent with applicable State and BWSR requirements.

Unallowable costs include but are not limited to:

- Bad debts, monetary settlements and judgements, late payment fees, and investment management fees
- Donations, fundraising, sponsorships, and acknowledgements
- Entertainment, gifts, prizes, and decorations
- Alcohol
- Interest on loans not authorized under state statute
- Loans of BWSR grant funds
- Lobbying, lobbyists, and political contributions
- Merit awards and bonuses

7. Sub-agreements

Funds may be distributed to partner(s) through the use of sub-agreements. Activities identified in the sub-agreement must fit within the scope of the agreement between BWSR and the recipient and include requirements for fund distribution, implementation, and reporting.

8. Technical Quality Assurance

Practices and projects must meet the following requirements to ensure long-term public benefit:

- **Technical Assistance Provider.** The recipient must designate technical assistance provider(s) that have appropriate credentials for investigation, design, and construction.

- **Practice Standards.** Practices and projects must use appropriate standards for design, construction, effective life, operation, and maintenance.
- **Practice Certification.** Technical assistance provider(s) must certify that the practice or project was installed or constructed in accordance with the applicable plans and specifications, including approved modifications, prior to authorization for payment.
- **Operation and Maintenance.** Technical Assistance Provider(s) must prepare an operation and maintenance (O&M) plan specific to the site and practice(s) implemented.
- **Periodic Practice/Project Inspection.** Inspections shall confirm that the operation and maintenance plan is being followed and the project has not been altered or removed.

9. Project and Practice Assurances

A written agreement is required to ensure program requirements are met when installing projects and practices or providing financial assistance to a land occupier. Project and Practice Assurances must include technical and financial obligations and requirements for the installation, operation, and maintenance of the practice or project, including a plan for failures or noncompliance.

10. Providing Financial Assistance to Land Occupiers

All BWSR funds used by a recipient to provide financial assistance to a landowner or land occupier requires adequate project assurances.

Project Application and Agreements

Work completed prior to the signing of the agreement is not eligible.

Conservation Practice Contract Noncompliance

Failure to complete, maintain, or repair a conservation practice or unauthorized alteration is considered non-compliance with an executed conservation practice agreement. If the organization discovers noncompliance, they must take action to resolve and notify BWSR.

11. Grant Management and Reporting

Eligible activities include local grant administration, management, and reporting that are directly related to and necessary for implementing the project or activity associated with the grant. Grantee is required to report on the outcomes, activities, and accomplishments.