

Wellhead Protection Partner Grant (Pilot)

Request for Proposals

September 2021

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2 ABOUT THE WELLHEAD PARTNER PROTECTION GRANT

Wellhead Protection Partner Grants will provide funding to local governments for establishing perpetual or long-term protection of wellhead protection areas where state-held easements are not viable.

3 PURPOSE

The Clean Water Fund was established to implement part of Article XI, Section 15 of the Minnesota Constitution, with the purpose of protecting, enhancing, and restoring water quality in lakes, rivers, and streams in addition to protecting groundwater and drinking water sources from degradation. The appropriation language governing the use of funds for Wellhead Protection Partner Grants is in Laws of Minnesota 2019, 1st Special Session, Ch. 2, Art. 2, Sec 7(g) as well as similar language in 2021.

4 WHAT IS NEW FOR THIS RFP?

1. As of September 2021, up to \$2,000,000 is currently available. Final funding decisions will be dependent on funds available.
2. The RIM township value percentage for long-term easement or contract proposals has increased. The cost estimate now includes an option for completed quick appraisal (as available and applicable).

5 PROPOSAL REQUIREMENTS

5.1 APPLICANT ELIGIBILITY

As defined in the Wellhead Partner Protection Partner Grant Policy, eligible applicants include local governments including:

- cities,
- townships,
- counties,
- rural water districts,
- soil and water conservation districts,
- watershed districts,
- joint powers authorities or other governmental units with authority sufficient to meet the program's protection requirements and approved by BWSR will be eligible to apply for Wellhead Protection Partner Grants.

5.2 PROJECT ELIGIBILITY

Projects must meet the following criteria:

- Land offered for protection must be within a delineated Wellhead Protection Area (WHPA) mapped in a Minnesota Department of Health (MDH) approved Wellhead Protection Plan.
- Vulnerability of the drinking water supply within the delineated WHPA must be designated as very high or high by MDH (minimum of 50% of the land proposed for protection is within the area is designated as very high and/or high vulnerability) (see <https://mnag.maps.arcgis.com/apps/webappviewer/index.html?id=7105310e562041749a240ebad844538b>).

Priority will be given to projects that meet any of the following criteria:

- Completed a drinking water protection plan that contains implementation activities that achieve long-term protection.
- A WHPA that have been designated as Mitigation Level One or Two as identified in the Minnesota Groundwater Protection Rule.
- Monitoring has shown a nitrate concentration of more than 5.4 mg/l in any public water supply well.
- Land offered for long-term protection has an expiring Conservation Reserve Program contract.

5.3 MATCH

A minimum 10% match is required from non-state funds. State funded loans repaid with non-state funds may be used for the match. The anticipated source(s) for the match shall be identified in the grant proposal.

5.4 PROJECT PERIOD

The project period starts when the grant agreement is executed, meaning all required signatures have been obtained. Work that occurs before this date is not eligible for reimbursement with grant funds and cannot be used as match (except as identified below). All grants must be completed by December 31, 2024.

If a project receives federal funds, the period of the grant agreement may be extended to equal the length of time that the federal funds are available subject to limitation. Applicants using federal funds are encouraged to contact BWSR soon after the award of funds to ensure the grant agreement can be developed appropriately.

5.5 PAYMENT SCHEDULE

Grant payments will be distributed as a reimbursement after long-term protection mechanism is in place on property. Reimbursement is the preference but alternative payment distribution may be requested by the applicant, in writing, for approval by BWSR staff, prior to the execution of the grant.

5.6 REPORTING AND ADMINISTRATION REQUIREMENTS

- All grantees are required to report on the outcomes, activities, and accomplishments of Clean Water Fund grants. All BWSR funded projects will be required to develop a work plan, including detail relating to the outcome(s) of the proposed project. All activities will be reported via the eLINK reporting system. For more information go to www.bwsr.state.mn.us/outreach/eLINK/index.html.

- BWSR Clean Water Funds will be administered via a standard grant agreement. BWSR will use grant agreements as contracts for assurance of deliverables and compliance with appropriate statutes, rules and established policies. Willful or negligent disregard of relevant statutes, rules and policies may lead to imposition of financial penalties on the grant recipient.
- When practicable, grantees shall prominently display on their website the Legacy logo. Grant recipients must display a project summary that includes a description of the grant activities, including expenditure of grant funds and measurable outcomes.
- The boundaries of the property secured for long term protection must be posted with a Legacy Amendment sign at prescribed posting distances. BWSR will provide the Legacy signs and posting standards.
- When practicable, grantees must display the Legacy logo on printed and other materials funded with money from the Clean Water Fund. The logo and specifications can be found at <http://www.legacy.leg.mn/legacy-logo>.

5.7 INCOMPLETE APPLICATIONS

Applications that do not comply with all application requirements will not be considered for funding, as provided below:

- Components of the application are incomplete or missing required information;
- Any required documentation is missing; or
- The match amount does not meet grant requirements.

6 APPLICATION GUIDELINES

6.1 DEADLINE AND TIMELINE

Proposals will be accepted from May 1, 2020 ongoing with applications due the last day of each month as funding is available.

Proposals must be submitted electronically to Sharon Doucette at sharon.doucette@state.mn.us by 4:30 pm on the last day of each month.

6.2 PERMITTING

The applicant is responsible for obtaining and complying with all permits necessary to execute the project. If applicable, successful applicants will be required to provide sufficient documentation prior to work plan approval that the project expects to receive or has received all necessary federal, state and local permits and meets all water quality rules, including those that apply to the utilization of an existing water body as a water quality treatment device. Applicants are strongly encouraged to contact the appropriate regulatory agencies early in the grant application development process to ensure potential projects can meet all applicable regulatory requirements.

6.3 APPLICATIONS

Proposals must include the following information:

1. The local government entity applying for the grant, including contact person and contact information. A motion or resolution from the board/council to demonstrate commitment should be included.
2. A description of the capability and availability of local staff and officials to lead property negotiations.
3. The entity who will be responsible for holding the easement or obtaining fee title or be responsible for contract, if proposed to be different from local government listed in a. above.
4. If there are partners; identify each partners' roles and responsibilities.
5. A list of all local governments including cities, townships, counties, soil and water conservation districts, watershed districts, and watershed management organizations within the project boundary. Include name and contact information for the primary contact(s) for each local government.
6. A general location map and a map of the WHPA/DWSMA where the proposed project is occurring. The WHPA/DWSMA map should also display the vulnerability of the drinking water supply as designated by MDH.
7. Description of drinking water concern(s) for the wells including a summary of technical information that confirms the need for long-term protection or excerpts from plans.
8. Well monitoring information where there is a nitrate concentration of more than 5.4 mg/l, if the WHPA that have been designated as Mitigation Level One or Two as identified in the Minnesota Groundwater Protection Rule or if the land is part of an expiring CRP contract.
9. The method of proposed protection (long-term or perpetual easement or fee title).
10. The following parcel specific information: County; Township; PID; current ownership; tax value, appraisal value (if known) and/or RIM township rate (if appropriate).
11. Evidence of landowner interest. All parties must understand there is no State commitment until a successful grant agreement is executed.
12. The land use and vegetative cover proposed for the property. Options for land use are not limited to native vegetation and proposals may include any land use that BWSR determines will eliminate or significantly reduce risk of contamination to groundwater. A conservation plan (or other similar land management plan) with inspection and maintenance requirements approved by the appropriate SWCD will be required as part of the grant agreement.
13. Cost estimate. The following values should be used as guidance to determine costs:
 - i. For fee title proposals – Up to 100% of the appraised value of the property (as conducted by a certified appraiser) is grant eligible. If appraisal is not available at time of application, substitute the higher of the applicable RIM rate or tax assessed value of the land (not including buildings) as a placeholder until such time an appraisal is completed.

- ii. For perpetual or long-term easement proposals – A percentage of the RIM township value for cropland and/or non-cropland or the same percentage of a completed quick appraisal as available and applicable, will be used for determining eligible grant costs:
 1. Permanent easements – 100% of the RIM township value
 2. 30-year easements or contracts – 90% of the RIM township value

Eligible Project Costs

Eligible project costs include fee title acquisition costs, easement payments, land use contract payments, and other costs associated with the acquisition of land rights including appraisal, survey, title insurance and recording costs. Appraisals completed before the execution of a grant agreement or as part of the proposal are eligible match upon approved grant agreement. Vegetation establishment is also an eligible project cost. Other costs, as specifically requested by project proposer, will be reviewed by BWSR staff. Taxes are not eligible. Local personnel costs are not reimbursable through this grant but may be used toward the 10% local match, if approved in the final work plan and documented by the grantee. Eligible costs (and local match) can only be incurred and documented after the grant is fully executed except for appraisal as mentioned above. See BWSR Grant Administration Manual for more information: <https://bwsr.state.mn.us/gam>.

Selection Criteria

All complete proposals submitted will be reviewed by BWSR staff and the groundwater protection committee consisting of the Minnesota Department of Health, MN Rural Water Association and Minnesota Department of Agriculture; as well as staff from the respective SWCD (as appropriate).

Successful applications will be selected based on the following:

1. Providing information in response to the proposal requirements listed in this RFP:
 - a. Applicant information and capability and availability of local staff and officials to lead property negotiations. Priority will be given to entities that have experience with long-term land protection efforts.
 - Minimum: all appropriate contact information provided and clear knowledge and ability to complete complex property negotiations
 - Preferred: recent property transaction completed that is similar to proposal
 - b. Entity responsible for long-term protection and partners
 - Minimum: all appropriate contact information provided if different from applicant
 - c. Inclusion of local government information
 - Minimum: list of local governments
 - d. Inclusion of maps (general location map, map displaying WHPA/DWSMA and vulnerability, and location map of proposed protection property)

- Minimum: maps included and 50% of the proposed protection area is designated as very high and/or high vulnerability
 - Preferred: more than 75% of the proposed protection area is designated as very high and/or high vulnerability
- e. Description of drinking water concerns as well as a summary of existing studies, plans, and/or technical information that support the need for long-term protection
- Minimum: description of concern and any available assessment/monitoring data
 - Preferred: an approved Wellhead Protection Plan (Part I) developed to inform planning
 - Highly Preferred: an approved Wellhead Protection Plan (Part II) that specifically identifies protection of the land included in this proposal as an implementation item
- f. Identify if monitoring has shown a nitrate concentration of more than 5.4 mg/l, the WHPA that have been designated as Mitigation Level One or Two in the Minnesota Groundwater Protection Rule or if there is an expiring CRP contract
- g. The method of permanent protection proposed
- Minimum: Long-term protection using a contract
 - Preferred: Permanent easement
 - Highly Preferred: Fee title
- h. Parcel specific information including County; Township; PID; current ownership; tax value, appraisal value (if known) and/or RIM township rate (if appropriate)
- Minimum: Information included
- i. Evidence of landowner interest
- Minimum: Summary of contact, conversations and negotiations with landowner
 - Preferred: Letter from landowner indicating willingness to enter into agreement with local government
- j. Proposed land use and vegetative cover for duration of the proposed protection mechanism
- Minimum: Land use and cover protect wellhead area for drinking water purposes
 - Preferred: Perennial vegetation with or without structural improvements
 - Highly Preferred: Perennial native vegetation, no structural improvements on property
- k. Cost
- Minimum: Cost estimate included
 - Preferred: Supporting information provided with estimate (appraisal, cost estimates for survey, etc.)

2. Recommendation from BWSR and groundwater protection committee

7 GRANT TERMS

7.1 GRANT EXECUTION

Successful respondents will be required to complete a detailed budget and work plan in eLINK prior to execution of the grant agreement. Note that all successful grantees must be registered as a vendor in the state procurement system prior to grant execution and to use eLINK (<https://mn.gov/mmb/accounting/swift/vendor-resources/>). The grantee must provide assurances that the landowner or land occupier will keep the protection in place for the term of protection including a notice of restrictions recorded on the land title by the grantee to protect the State's interest in the property. Additional assurances may include management plans, enforceable contracts, performance bonds, letters of credit, and termination or performance penalties.

7.2 BWSR GRANT ADMINISTRATION

BWSR reserves the right to partially fund any and all proposals based on the number of proposals submitted, anticipated staff time requirements, and the amount of funding available. Proposals that are deemed complete may be considered for future proposal periods.

Individual grant amounts will be determined based on the protection mechanism provided and the duration of protection in the grant proposal. Grant agreements will be executed during the month following the proposal submittal month.

8 GENERAL INFORMATION

8.1 GRANTS AND PUBLIC INFORMATION

Under Minnesota Statute 13.599, responses to an RFP are nonpublic until the proposal deadline is reached. At that time, the name and address of the grantee, and the amount requested becomes public. All other data is nonpublic until the negotiation of the grant agreement with the selected grantee is completed. After the evaluation process is completed, all data (except trade secret data) becomes public. Data created during the evaluation process is nonpublic until the negotiation of the grant agreement with the selected grantee(s) is completed.

Conflict of Interest

State Grant Policy 08-01, (see <https://mn.gov/admin/government/grants/policies-statutes-forms/>) Conflict of Interest for State Grant-Making applies to BWSR grantees. Grantees' conflicts of interest are generally considered organizational conflicts of interest. Organizational conflicts of interest occur with any of the following scenarios:

1. A grantee is unable or potentially unable to render impartial assistance or advice due to competing duties or loyalties.
2. A grantee's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.

A grantee or potential grantee has an unfair competitive advantage through being furnished unauthorized proprietary information or source selection information that is not available to all competitors.