

# Crow Wing Soil and Water Conservation SWCD Cost-Share Policies

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## INTRODUCTION

The Conservation Contracts program was established by the Minnesota Statutes (M.S.), §103C.501, to allocate funds to Soil and Water Conservation Districts (SWCDs) for practices, projects, and systems (projects) for:

- Erosion or Sediment Control
- Improvements in Water Quality or Water Quantity
- Habitat Enhancement
- Plant Biodiversity
- Energy Conservation
- Climate Adaptation, Resiliency, or Mitigation.

The clean water fund was established in the Minnesota Constitution, Article XI, Section 15, and Minnesota Statutes§114D with the purpose of protecting, enhancing, and restoring water quality in lakes, rivers, and streams and protecting groundwater and drinking water sources from degradation. The SWCD administers the Board of Water Soil Resources (BWSR) and the State and Federal grants. Other grant funds will also follow and comply with these policies. Each program has established rules and guidelines that the SWCD will

abide by. Hereby, these local cost-share policies:

### **GENERAL POLICIES APPLIED TO ALL COST-SHARE PROGRAMS**

1. SWCD Board approval is required for all funding program contracts and project payment requests.
2. All funding programs are subject to funding availability and may be discontinued or subject to program policy revisions by the SWCD Board.
3. The number of contracts approved may be limited by the amount of funding, staff time available, and targeting and prioritization efforts. The SWCD Board reserves the right to modify funding at its discretion.
4. The SWCD Board may consider compliance with the terms of a previous or existing SWCD or USDA cost-share contract as a prerequisite to entering into a subsequent cost-share contract with an applicant.
5. The SWCD's goal is to fund voluntary conservation projects. Projects addressing violations of local ordinances and or state rules/laws are not eligible for cost-share funding.
  - Portions of a project may be eligible for funding if that portion is voluntary and exceeds regulatory requirements.
6. The applicant is responsible for the Operation and Maintenance Plan (OMP) based on the practice's effective life.
7. If USDA project funds or technical assistance are being used on a joint project, the applicant must sign a Freedom of Information Act release form that allows the SWCD access to applicable information within the applicant's project case file to be eligible for SWCD funds.
8. The SWCD will require the land occupier/landowner to sign a Tennessee warning notification as part of the cost-share contract process.
9. If the practice has failed before the contract's life due to improper maintenance as required, the applicant will be responsible for the necessary repairs. If the Land Occupier/Landowner decides not to repair the practice, see the noncompliance section.
10. If the title to the land where the practice is installed is transferred to another party before the expiration of the life of the cost-share contract, it shall be the responsibility of the Land Occupier/Landowner who signed the contract to sign an updated cost-share contract to notify the SWCD of the change in ownership. The new Land Occupier/Landowner will then be responsible for implementing the contract until its expiration.
11. The practice inspection schedule will be indicated in the landowner's OMP and will be based on the practice's effective life. See typical inspection time frames below:
  - a. A conservation practice with a minimum effective life of 10 years is 1, 3, and 9 years.

- b. A conservation practice with an effective life of 25 years or more, 1, 8, 17, and 24 years.
- c. For non-structural land management practices, inspections are to be completed annually or as identified in specific program policies.
- d. For other practice lengths, we follow the 1, 33 percent, and 66 percent, and the next-to-last year of the effective life.
- e. These are the minimum inspection requirements. If issues arise, the SWCD may conduct additional inspections to ensure the project is functioning as designed and may require the landowner to mitigate any issues that arise.

### **STAFF CREDENTIALS**

1. The SWCD will ensure staff have the necessary skills and training to install and maintain projects according to NRCS Field Office Technical Guide standards and specifications. Building credentials and maintaining or seeking certifications to retain knowledgeable staff is the SWCD's highest priority.
2. When professional engineering is required, or specific conservation practices require expertise above current technical capacity, the SWCD will utilize professional engineers or staff from the Technical Service Area (TSA), consultants, Crow Wing County, municipalities, BWSR, or the USDA - Natural Resources Conservation Service (NRCS).

### **PROJECT DEVELOPMENT**

1. The Land Occupier/Landowner and applicant shall allow SWCD Staff access to the property at reasonable times for which the installed conservation practice is located during the contract's life. The installed practice will be subject to periodic inspections by SWCD Staff. SWCD Technical Standards include, but are not limited to, the most current: NRCS Field Office Technical Guide, Minnesota Pollution Control Agency (MPCA) Stormwater Manual, MPCA Protecting Water Quality in Urban Areas, NPDES General Stormwater Permit for Construction Activity, Minnesota Urban Small Sites Best Management Practice (BMP) Manual, Minnesota Department of Agricultural BMP Handbook for Minnesota, BWSR Native Vegetation Establishment and Enhancement Guidelines, Minnesota Department of Health Well Sealing Guidelines, and applicable local, state and federal regulations.
2. Funding will not be provided for tile installation if the activity will impact a wetland or for the sole purpose of drainage.
3. Funding will not be provided to increase tile capacity or size beyond design capacity for agricultural drainage. The applicant is solely responsible for costs associated with increased tile capacity. All

modifications or connections must have prior approval to ensure they do not negatively affect the success of the approved practice.

4. The applicant may be requested to obtain two or more quotes for the proposed conservation work before the SWCD Board approves the cost-share contract.
5. Landowners who are the project owners are required to comply with **Minnesota Statutes 177.43**

Pursuant to Minnesota Statutes 177.41 to 177.44, and corresponding Minnesota Rules 5200.1000 to 5200.1120, this contract is subject to the prevailing wages as established by the Minnesota Department of Labor and Industry. Specifically, all contractors and subcontractors must pay all laborers and mechanics the established prevailing wages for work performed under the contract. Failure to comply with the aforementioned may result in civil or criminal penalties.

In compliance with Minnesota Statutes § 177.43, subd. 3 and §177.44, subd. 5, the wages of laborers, workers, and the mechanics on projects financed in whole or part by State Funds should be comparable to wages paid for similar work in the community as a whole. Project includes erection, construction, remodeling, or repairing of a public building or other public work financed in whole or part by State funds.

Any work on real property which uses the skill sets of any trades covered by Labor Code and Class under prevailing wages is construction and requires prevailing wages. See <http://www.dli.mn.gov/business/employment-practices/prevailing-wage> for a list of affected trades.

The Contractor shall pay prevailing wages to its employees when conducting construction activities under this agreement using the Highway/Heavy rates found at [https://workplace.doli.state.mn.us/prevwage/highway\\_data.php?region=03](https://workplace.doli.state.mn.us/prevwage/highway_data.php?region=03)

In accordance with Minnesota Statutes §177.43, subd. 7. This does not apply to an agreement or work under an agreement, under which:

- (1) the estimated total cost of completing the project is less than \$2,500 and only one trade or occupation is required to complete it, or
- (2) the estimated total cost of completing the project is less than \$25,000 and more than one trade or occupation is required to complete it.

If the landowner is the project owner and meets the Minnesota Statutes 177.43 requirements:

- a. The landowner shall provide the contractor with certified payroll forms from the Department of Labor and Industry (DLI) and make sure that they are properly filled out. The form may be found here: [https://www.dli.mn.gov/sites/default/files/pdf/pw\\_certified\\_payroll\\_form.pdf](https://www.dli.mn.gov/sites/default/files/pdf/pw_certified_payroll_form.pdf)
- b. Upon completion of the project, the landowner will submit all the contractor-certified payroll forms as well as all the invoices and receipts. The SWCD will then begin the reimbursement process.
- c. Any questions regarding the prevailing wage, certified payroll form instructions, and requirements should be directed to the DLI. <https://www.dli.mn.gov/prevailing-wage>

If the estimated cost is over \$21,000 and includes more than one trade. The project must include prevailing wages and will need to follow the requirements noted above. If you have any questions, please contact SWCD staff.

## **APPLICATION/CONTRACT**

1. Applicants are responsible for submitting application forms, project plans, and cost estimates as requested by the SWCD in sufficient detail for the SWCD to complete its review.
2. For projects where construction will occur on adjacent properties or the project will impound water on adjacent properties not owned by the applicant, all affected Land Occupiers/Landowners must sign the group addendum. A division of the payment schedule, agreed to by all Land Occupiers/Landowners, must be attached to the addendum.
3. The SWCD Board may authorize an assignment of payment or add a co-payee for approved cost-share payments.
4. The application deadlines for individual programs may be extended at the SWCD Board's discretion.
  - a. Unapproved applications may be resubmitted for review in the following rounds within the calendar year.
5. SWCD Staff will prioritize applications based on comprehensive water/watershed management plans, priorities, scoring and ranking process, local and state priorities, and other relevant plans.
6. SWCD Staff shall provide a funding recommendation for each application submitted to the SWCD Board. The SWCD reserves the right to review projects by committee if deemed appropriate.
7. The funding amount will not exceed the amount specified on the original cost-share contract unless the applicant obtains a SWCD Board-approved contract amendment to increase funding amounts before project completion. The SWCD Staff shall evaluate contract amendments on a case-by-case basis.
8. Upon approval by the SWCD Board, the applicant will receive a letter with a copy of the executed cost-share contract stating details of the practice that has been approved, the funding amount, the schedule to start and complete the project, and a copy of the OMP.

## **MATCH OR IN-KIND RATES**

1. A land value match will be eligible if the land is needed to install the conservation practices.
  - a. The land value will be based on the current Crow Wing County assessed land value (not including structure or building value).
  - b. The available match is proportional to the land area the conservation practice(s) covers.
  - c. By applying a match, conservation practice costs may not be increased beyond the actual costs of technical assistance, design, materials, and installation. The conservation practice

must not exceed 100% of the design, materials, and installation cost.

2. The value of donated time by Land Occupiers/Landowners or others is eligible as a match for grants implemented by the SWCD, subject to restrictions imposed by the funding entity. When eligible, the SWCD will value donated time and services subject to the following conditions:
  - a. The value of volunteer time will be based on the activities necessary to accomplish the conservation project.
  - b. The SWCD can utilize the most recent Iowa State University Extension [Farm Custom Rate Survey](#) to substantiate in-kind rates for equipment or local rental rates for equipment.
  - c. The SWCD will adopt Minnesota's volunteer annual rate, as listed on the Independent Sector website ([http://independentsector.org/volunteer\\_time](http://independentsector.org/volunteer_time)). An in-kind rate will be added annually to the SWCD fee schedule.

### **PERCENTAGE COST-SHARE RATES FOR STRUCTURAL & ECOLOGICAL PRACTICES**

1. The standard cost-share rate is 50 percent of the reasonable eligible practice cost. The SWCD Board can deem up to 100 percent of the eligible reasonable cost for larger, more complex projects or due to the Land Occupier/Landowner's financial situation.
2. Utilizing state and federal funds for a project will be considered case-by-case by the SWCD Staff. If multiple funding sources are approved, payment amounts from combined state, local, and federal sources shall not exceed the maximum cost-share rate of 100 percent.
3. The minimum state cost-share to be approved for a project (excluding unused well sealing) will be \$1,000. There will be no maximum limit for BMPs, but it will be based on available funds.
4. If the Land Occupier/Landowner fails to maintain the practice during the practice duration, see the noncompliance section.

### **FLAT RATE COST-SHARE**

1. Flat rates will be an alternative to actual costs documented by receipts or invoices.
2. A Land Occupier/Landowner cannot accept other state or federal funds for that practice when using flat rates.
3. The SWCD will enter into one contract with each Land Occupier/Landowner for the planned years of the practice.
4. The Land Occupier/Landowner will be paid an annual payment after the practice has been installed and certified complete by the SWCD Staff.
5. The SWCD reserves the right to issue a one-time lump sum payment for contracts that extend

beyond the completion date of the grant funding the project.

6. If a lump sum payment is made, the remaining years of the practice will be completed under the OMP. They will be inspected and certified annually by SWCD Staff.
7. If the Land Occupier/Landowner fails to maintain the practice during the duration, see noncompliance.
8. The SWCD Board will review and approve annual rates and general requirements for Nonstructural Land Management Practices (NLMP).

### **NONSTRUCTURAL LAND MANAGEMENT PRACTICES (NLMP)**

1. Use for activities or practices that are not planning and are non-structural. Examples include street sweeping, nutrient management, prescribed grazing, phytase feed, and source reduction of chloride, such as equipment upgrades, pre-wetting, chloride storage, and maintenance.
2. These practices will utilize flat rate cost share as defined in the flat rate section of this policy.

### **FOREST STEWARDSHIP PLAN POLICY:**

1. The SWCD Stewardship Plan rate aligns with the Minnesota Department of Natural Resources (MN DNR) Forest Stewardship Rate and is published on the annual SWCD Fee Schedule.
2. The SWCD Board delegates and authorizes staff authority to sign off on cost-share or forest stewardship plan agreement forms to enroll in forest stewardship programming through different grant programs, as funding is available. All forest stewardship agreement forms were invoiced and paid. As of April 01, 2025, the SWCD altered the forest stewardship agreement form to the BWSR Cost-share contract and voucher process.
3. Plan Reimbursement payment is issued to the landowner.
4. SWCD Staff will provide cost-share at the SWCD rate for Stewardship Plans if:
  - a. The Land Occupier/Landowner enrolls in SFIA or a Conservation Easement.
  - b. The Land Occupier/Landowner implements a BMP (best management practice) on their land.
  - c. The Land occupier/landowner completes a forest stewardship plan.
    - i. The SWCD can provide cost-share on BMPs if funding is available.
    - ii. Eligible BMPs include NRCS Forestry Conservation Practices. BMPs must be designed to establish or improve long-term forestry practices to improve or protect water quality or control soil erosion.

### **DELEGATION**

1. The SWCD Board delegates all State grant contracts, local agreements, non-profits, and SWCD cost-share contracts or reports to the SWCD Manager. Applicant contracts for installing conservation practices and supporting project documents will be identified on the agenda. The SWCD Board delegates the Office Manager to sign off on all vouchers.
2. To follow Laws of Minnesota, 2025, chapter 39, section 40, and the SWCD Board delegates the leadership role for all grants to be the District Manager, and all individual contact persons for all state grants to be the Finance and Grants Coordinator. The SWCD will follow and comply with this law and post this information on the official SWCD webpage.
3. The SWCD Board designates existing staff with a technical background and knowledge of conservation practices to conduct and sign off on follow-up compliance inspections for projects currently under contract. See the noncompliance section for more details.

### **TECHNICAL ENGINEERING ASSISTANCE**

1. The SWCD is eligible for annual Technical Service Area (TSA8) grant funds.
2. The amount of funding will vary from year to year. All funds are reimbursable and will follow the TSA8 Policy for SWCD Reimbursement.
3. A key priority for TSA funds is shared engineering and other critical technical services for erosion, sediment control, and water quality by the approved grant work plan—eligible activities and expenses based on [BWSR TSA Policy](#).
4. The SWCD Board will review the amount of money available and decide how they want to spend it annually. If TSA8 engineering funds are available, see the requesting engineering assistance section.

### **REQUESTING ENGINEERING ASSISTANCE**

1. The Land Occupier/Landowner must follow the site visit process. See the current fee schedule for the procedure.
2. SWCD Staff must visit the Land Occupier/Landowner site before referring the Land Occupier/Landowners to the engineering services. SWCD Staff will refer Land Occupiers/Landowners only if they believe the conservation practices require engineering by a professional engineer.
3. All funding will be available on a first-come, first-served basis. Once funding is gone, Land occupiers/Landowners must wait until the next allocation round.
4. Once SWCD Staff have visited the site, they will contact engineering services to visit the site and provide recommendations on what work to do.

5. The Land Occupier/Landowner must pay the engineering fee before the consultant engineer starts the survey and design (See SWCD Fee Schedule)—a one-time payment per project. If multiple Land Occupiers/Landowners are considering one project, the SWCD will determine if a group of Land Occupiers/Landowners can split up the fee. This will be a case-by-case determination. No refunds will be granted.
6. The SWCD will pay for the engineering service directly through a contract with the consultant firm. The consultant will give an estimated price for each engineered plan or service. Once the Land Occupier/Landowner has reached the stated engineering service cap, the Land Occupier/Landowner will be responsible for paying for additional hours or services needed to complete the plan or service. This cap will be given to the Land Occupier/Landowner up front to sign and agree to the service and the scope of work. The SWCD staff will keep the signed document and provide a signed copy to the Land Occupier/Landowner.
7. Once the design is completed, the Land Occupier/Landowner must follow the above cost-share policy.

### **PROJECT IMPLEMENTATION**

- a. SWCD Staff will participate in a pre-construction meeting with the contractor and other associates if needed. SWCD Staff shall be available to the applicant during construction to answer questions, document installations, and provide general construction observation to inform the applicant of non-compliant project components or conditions.
- b. Unless otherwise approved by the SWCD Board, a portion of a project becomes ineligible for funding if construction begins on that portion before a cost-share contract has been approved.
- c. The project must be completed in compliance with the terms and conditions of the cost-share program contract and maintained in compliance with the OMP.
- d. The applicant is responsible for completing the project installation before the project installation deadline listed on the cost-share contract. If a deadline extension is required to complete the project, the applicant must make the request no less than 30 days before the project installation deadline.
- e. The entire practice shall be installed according to design requirements, including seeding, mulching, erosion control blankets, or other materials. Any changes from the approved design requirements shall be agreed to in writing before practice certification.

### **REIMBURSEMENT**

1. The SWCD Staff, with the proper technical approval authority, shall verify that the practice is complete and meets standards and specifications before final payment. The Land

Occupier/Landowner is responsible for paying, in total, all receipts and invoices directly to the contractor or vendor unless the SWCD Board authorizes the SWCD to pay the contractor now due to a large-scale project or other circumstances. If the SWCD pays the contractor directly, the SWCD is responsible for following Minn. Stat. 177.41 through 177.44 for prevailing wages and municipal contracting law per Minn. Stat. 471.345.

2. The applicant must submit invoices or receipts of actual costs in sufficient detail for the SWCD's review. Requests for reimbursement shall include a Voucher and Practice Certification Summary Form submitted at least one week before the SWCD Board Meeting.
3. The SWCD Board will make a one-time cost share reimbursement payment upon certification that the project has been installed and completed to specifications.
4. The SWCD Board will consider partial payments on a case-by-case basis.

### **NONCOMPLIANCE**

After learning of potential non-compliance, the SWCD Staff will:

- i. Review applicable laws and rules.
  - ii. Review project file contents, contract, and OMP.
  - iii. Conduct on-site investigation, take pictures, and complete a site inspection form.
  - iv. Interview the Land Occupier/Landowner.
  - v. If it is determined that the Land Occupier/Landowner is compliant, the SWCD Staff will document this decision, and no corrective action is needed.
  - vi. If it is determined that the Land Occupier/Landowner is not compliant, the SWCD Staff will present their findings and corrective action plan to the SWCD Board.
  - vii. If the SWCD Board agrees that a non-compliance condition exists. Corrective action will be completed and sent to the Land Occupier/Landowner via registered mail. The disciplinary action will refer to why the practice is not in compliance, specify what the Land Occupier/Landowner must do to correct the situation and give deadlines for corrective action.
  - viii. If the SWCD Board disagrees that a non-compliance condition exists, it will be documented, and no corrective action plan is needed.
- a. The SWCD Staff will follow up to ensure the Land Occupier/Landowner completes corrective action in the time allotted.
    - ix. If the Land Occupier/Landowner fails to maintain the practice during the practice's effective life, the Land Occupier/Landowner is liable to the SWCD for the amount up to 150 percent of the amount of financial assistance received to install and establish the practices (s) unless the failure was caused by reasons beyond the Land Occupier/Landowner's control, or if conservation practices are applied at the Land

Occupier/Landowner's expense that provides equivalent protection of the soil and water resources.

- a. The noncompliant Land Occupier/Landowner will not be eligible for cost-share funds. Once the Land Occupier/Landowner is in compliance, the SWCD will review future cost-share applications on a case-by-case basis.
- b. If the Land Occupier/Landowner fails to implement the corrective action plan, the Land Occupier/Landowner will be considered in a "violation" status.
- c. The SWCD Staff will contact the County Attorney for advice and direction on handling the matter per the contract. The SWCD Staff will contact BWSR or state agencies about the specific circumstance.