

Lac qui Parle
Soil and Water Conservation District
Cost-Share Handbook



Adopted: September 7, 2017
Updated: November 4, 2021

INTRODUCTION:

The Lac qui Parle Soil and Water Conservation District (SWCD) administers the Minnesota Erosion Control and Water Management Program (ECWMP) through the Board of Water and Soil Resources (BWSR) through Minnesota Statutes, section 103C.501 Erosion Control and Water Management Program – cost sharing with land occupiers for the installation of soil and water conservation practices.

BWSR has established rules and guidelines for this cost share program. The SWCD will abide by these rules and guidelines and hereby establishes these ECWMP Policies. Each fiscal year of cost share funds the SWCD will review this program policy

COST SHARE FUNDS

Up to 20% of the State Cost Share Base Grant, for each fiscal year, may be utilized for technical and administrative purposes. Utilizing state and federal 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 90%. The minimum amount of state cost share to be approved is \$300.00, unless amount left to encumber is less or a policy specific to a grant allows for a lesser amount. There will be no maximum amount of cost-share per land occupier. The board will reserve the right to offer less than the maximum percent based on cost-share available, number of requests for assistance, or based on a specific practice.

The District will adopt the average rates as shown on the most recent Farm Custom Rate Survey developed by Iowa State University Extension or by the Minnesota State University Extension for all in-kind reimbursement.

PERCENTAGE RATES

Total cost-share will not exceed 90% of the eligible reasonable cost of the practices. Cost-share for unused well sealing, after any other state or local funding sources are established at 50% of the eligible reasonable cost of the practice. Cost share will not be calculated including permit costs. Percentage rates will only apply to structural practices that provide a measureable benefit to water quality and quantity concerns. Land occupier is required to submit a bid from two contractors of their choosing prior to approval of the cost-share contract. Percent of eligible costs will be based on the lowest bid submitted. Land occupiers can choose to work with anyone, but will only receive cost-share based on the lowest bid.

FLAT RATE COST SHARE

Flat rates will be used as an alternative to actual costs documented by receipts or invoices. When using flat rates, a land occupier cannot accept any other state or federal funds for that practice. The SWCD will enter into one contract with each individual land occupier for the planned amount of years of the practice. 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. 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. If the land occupier fails to maintain the practice during the practice duration, they will be liable to the District for up to 150% of the flat-rate payment received for the practice.

References to "traditional" "General EQIP" payment rates can be found in the most recent published installment of 2XXX EQIP Contracting Guidance Document and/or 2XXX EQIP costlist – payment schedule. The rates and general requirements for Nonstructural Land Management Practices (NLMP) are as follows.

A. Cover Crops

- a. Must follow NRCS Practice Standard 340
- b. The maximum acreage per contract will be fixed at the contract maximum of 40. No exceptions will be granted.
- c. No Tillage, with the exception of strip till and manure application, is allowed on planted acres until a reasonable beginning date of spring tillage
- d. Grazing by livestock is permitted any time it does not affect the initial development of plants.
- e. Three Year Annual installation of cover crop
 - i. One species
 - ii. Will utilize most recent "traditional" "General EQIP" payment rate for "Cover Crop - Basic and organic/non-organic"
 1. The above rate will be paid a lump sum of three times per acre for a minimum of following standard recommendations for establishment of a single cover crop.
 2. EXAMPLE: "3 years of Cereal Rye on 40 acres" "3 x 40 x \$41.56= \$4987.20 lump sum"
 - iii. Multiple species (two or more)
 1. Will utilize most recent "traditional" "General EQIP" payment rate for "Cover Crop Multiple Species Organic and Non-Organic"
 2. 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.

3. EXAMPLE: "3 years of Cereal Rye, Turnips, and Tillage Radish on 40 acres" "3 x 40 x \$48.77= \$5,852.40 lump sum"

B. Buffers

- a. Cost shared Buffers or Filter Strips must follow, at a minimum, all current NRCS Practice Standard 393 requirements.
- b. Contracts for established buffers will be paid at a flat rate of \$300 per acre. Fractional acreages will be paid down to the hundredth of an acre.
- c. Contracts will be paid by the district after the practice can be verified and documented as planted.
- d. For buffers, based on water quality improvements with a maximum width of 120 feet, up to \$300 per acre to establish the vegetation. Native Species must be used. Acceptable seed source requirements are summarized in BWSR's Native Vegetation Establishment and Enhancement Guidelines. A Cropping history is required and is defined as in agricultural crop production for at least two of the last five years. Native shrub plantings (amongst native grasses and flowers) for wildlife, fruit or nut production is allowed. Allowable Activities after established include haying, seed propagation, bio-energy production, and prescribed burning, outside of the nesting season of May 15 to August 1. Alternative dates can be approved by the SWCD on a case by case basis for weed control, tree and shrub management or emergency repairs. Grazing after successful establishment is allowed with an approved grazing management plan (Prescribed Grazing, practice standard 528).

C. Residue and Tillage Management

- a. Must follow NRCS Practice Standard 329 for No-Till, Strip-Till
- b. The rate will be the 3 or 5 times (based on seasons requested) most recent listed traditional rate for "Residue and Tillage Management 329" "No-Till/Strip Till"
- c. EXAMPLE: "5 years of no-till on 40 acres at \$10.01/ac/yr" "SWCD will pay \$50.05 per acre in a lump sum"
- d. The maximum of 80 acres per land occupier can be used through this cost-share program.

I. Technical Expertise:

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

II. Practice Standards:

- a. All practices must be consistent with USDA Natural Resources Conservation Services Field Office Technical Guide (FOTG), be

professionally accepted engineering or ecological practices unless otherwise directed by statute, rule, or grant program policy.

III. 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. Conduct on-site investigation, include pictures and complete a site inspection form.
 - iv. 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 their findings and corrective action plan.
 - vii. If the District Board agrees that a non-compliance condition exists, a corrective action plan will be completed and sent via registered mail to the land occupier. 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.
 - 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 District staff will follow up to make sure land occupier completes corrective action in time allotted.
 - 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 County's Attorney and the Board of Water & Soil Resources Board Conservationist and at this time ask for direction for the next step.

IV. Priority

- a. Because of limited cost-share funding, the District has set priorities. The District will prioritize applications that utilize the final money of a particular fund based on characteristics of the project. These priorities are intended to evaluate the course of future prioritization of the use of cost share funding by the District. The count priorities met shall be totaled for each project and compared others to determine which is/are funded using the local ranking program. The priorities are as follows:
 - i. The project addresses a priority concern of a State of Minnesota approved one watershed one plan

- ii. Project is within a priority area as defined by another State of Minnesota planning document such as a WRAPS, TMDL, or Local Comprehensive Water Management Plan.
- iii. Project is within ½ mile of surface water and drainage is toward that surface water.
- iv. Project is within ½ mile of a surface tile intake and drainage is toward that intake.
- v. Project ranks high under local priority criteria determined by
- vi. Tons of soil lost from sheet and rill erosion as determined by the Revised Universal Soil Loss Equation II (RUSLE II)
- vii. Tons of soil lost from gully erosion
- viii. Minnesota Feedlot Annualized Runoff Model (MinnFARM) calculations will be used to prioritize feedlot pollution
- ix. Practice is necessary to become certified under the Minnesota Department of Agriculture's Minnesota Agriculture Water Quality Certification Program.

V. Other policies applicable to the program:

- a. **Cost Share Contract.** A contract between the SWCD 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 SWCD must approve or deny the contract. The land occupier must not start construction of the practice until the SWCD approves the cost-share contract. If construction starts prior to approval, the land occupier will not be eligible for state cost-share funds.
- b. **Contract Approval:** The SWCD Board will approve or deny the contract. The action taken will be documented in the District's meeting minutes. The District Board delegates signing contracts and supporting program documents to the District Board Chairperson and/or the District Manager. Approval of a contract does not approve the final payment. All payments will go before the SWCD Board before payment is made to the land occupier.
- 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. Changes to the percent of cost-share are not allowable.

- d. **Payment:** Land occupiers must incur all expenses for project implementation and provide vouchers and zero balance invoices or copies of paid receipts to verify all expense prior to requesting reimbursement and must sign a voucher.
- e. **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 up to one hundred fifty percent (150%) of the amount of financial assistance received.
- f. **Cost Share on Tree Plantings:** A \$100.00 charge will be added to the bill if District staff goes out to site to plant and/or mat and it is not prepared properly, resulting in rescheduling of services. This \$100.00 charge will not be cost shareable.
- g. **Enforcement Action:** Land or practices that are involved in a legal dispute or are required by law are not eligible for cost-share i.e. well sealings required by MDH. Exceptions to this policy will be made if specialized funding becomes available.

VI. **This policy applies to only FY 2021 ECWMP and beyond**

VII. **Active, Approved policy for ECWMP and State Conservation Cost Share in fiscal years prior remains applicable to cost share funding utilized from those years grants**