

# Cost Share Policy



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ACD’s program to assist with the cost of installing conservation practices to achieve the goals of the District consists of several funding sources, each with its own set of requirements. These funding sources change from year to year and so detailed procedures and policies are not included in this document. Following are general policies that ACD has adopted to facilitate program administration and improve program outcomes.

ACD reserves full discretion for funding decisions and may deviate from these policies.

## PROJECT TYPES

Project Type	Description
Shoreline Stabilization	Stabilize shoreline erosion on lakes, streams, or rivers through the use of hard or soft engineering techniques. Soft engineering techniques such as natural-fiber erosion control materials, cedar tree revetments, brush bundles, and/or native plants are preferred.
Stormwater Treatment Projects	Treat stormwater runoff to positively impact a target water resource through one or more of the following: improved water quality, increased infiltration, and/or increased storage. Project examples: curb-cut rain gardens, hydrodynamic devices, vegetated swales, pond modifications, enhanced filtration, and infiltration basins.
Groundwater Conservation	Conserve groundwater by reducing waste, improving efficiency, utilizing surface water, capturing and reusing, and/or reducing demand. Project examples: high-efficiency fixture and equipment installations or retrofits, pond water irrigation sourcing, gray water utilization, rain barrels, smart irrigation technology, and turf grass conversion to native species.
Habitat Improvement and Management	Establish or enhance habitat by increasing the presence and diversity of native species and/or removal of invasive non-native species. Project examples: vegetative ecosystem restoration, hydrologic wetland restoration, backyard habitat enhancement, pollinator gardens, lake/river/ditch native vegetated buffers, and prescribed burning.
Agricultural Projects and Practices	Improve soil productivity and water quality through projects and practices that improve soil health, reduce erosion, increase water storage and infiltration, and treat runoff. Project examples: grassed waterways and filter strips, water and sediment control basins, cover crops, nutrient management, integrated pest control, livestock waste containment and treatment, and conservation tillage.
Subsurface Sewage Treatment System Fix Up	Repair or replacement of septic systems that are an imminent threat to human health, failing to protect groundwater as documented by a Certificate of Noncompliance from a licensed SSTS inspector.
Well Sealing	Unused wells can serve as direct conduits for surface contaminants to reach our aquifers. Clean Water Funds help eligible landowners seal unused wells located within Anoka County, targeting vulnerable groundwater areas such as Drinking Water Supply Management Areas (DWSMAs).
Other	Projects not listed above that improve natural resource quality, quantity or distribution may be considered.

## PROJECT SELECTION AND FUNDING

- Projects must benefit Anoka County natural resources.
- The following will be considered when determining grant awards and funding amounts (up to 100%) to ensure the greatest public benefit.
  - Natural resource benefited
  - Amount of benefit
  - Cost-effectiveness relative to similar projects

- Multiple benefits
- Cause of the problem
- Benefactors of the solution
- In-kind or cash match of non-public funds
- A single application may include multiple project types.
- Cost-benefit analysis will be conducted with consideration of all benefits and costs over the life of the project.
- Public benefits for projects will be measured in terms of the actual benefits to the priority resource.
- When determining project benefits, water quality, water quantity, ecological, and soil health benefits will be considered.
- Grant awards will be based on the lowest cost option that achieves the project objective.
- 100% of project costs may be paid for with public funds provided the project cooperator is not substantially at fault for creation of the problem. A curb-cut rain garden that treats water from much of the neighborhood but very little of the cooperator's property is an example.
- Investment of public funds into a project will be considered in terms of the benefits received by the public.
- ACD will consider all public funds going toward a project when determining if the project is worthwhile on a cost-benefit basis, not just those funds invested by or through ACD.
- The ACD may prioritize areas for practice implementation, including those practices within drainages to priority waterbodies. ACD priorities are reflected in the ACD comprehensive plan and annual plans.
- At its sole discretion, the ACD Board may consider compliance to the terms of a previous or existing ACD or USDA Cost Share Contract as a prerequisite to entering into a subsequent Cost Share Contract with an applicant.

## APPLICATION AND FUNDING PROCESS

- Applications are accepted at any time; however, funds are limited. To apply, complete the appropriate grant application available at [www.AnokaSWCD.org](http://www.AnokaSWCD.org)
- Projects are reviewed by ACD staff and complete grant applications are considered for funding by ACD's Board of Supervisors at their monthly meeting.
- Grant applications should be submitted to ACD staff at least two weeks prior to regularly scheduled Board meetings.
- The ACD Board may act to obligate funds toward a project without fully encumbering those funds within a contract. This serves to reserve funds for projects while other elements of project planning, design, and coordination can be finalized.
- Case by case, project sponsors/landowners/applicants may be required to provide an escrow in the amount of anticipated design and engineering costs. If the project construction bids come in within 10% of the engineer's estimate and the applicant does not move forward with project installation, the escrow may be used to reimburse ACD for the cost of the design. If the applicant moves forward with construction, these funds shall be applied toward construction costs.
- Grant recipients will not be compensated for their labor. Grant recipient labor may be considered an in-kind contribution.

- The value of in-kind services/equipment/materials provided by landowners/project sponsors will be based on state approved prevailing wage guidance for services, documented market rates for rental equipment, or documented actual cost/value for materials.
- Expenses incurred prior to grant approval are ineligible.
- Grants are reimbursement grants, unless otherwise approved in advance. Grant recipients must submit receipts for eligible expenses to ACD. Reimbursement checks will be issued within six weeks.
- Applicants may apply to other entities for grants. In no case will funding from all sources to the grant recipient exceed eligible project expenses.
- Policies specific to certain funding sources may differ, and supersede those found in this document.
- A separate plan and agreement outlining the operations and maintenance responsibilities of the grant recipient for the life of the project is required. Project life depends on the nature, size, and complexity of the project and typically ranges from five to twenty-five years.

## LOGISTICS AND LIMITATIONS

- Grant recipient must assume operations and maintenance responsibilities for the life of the project.
- Grant recipients must own or have a legally affirmed right to construct, operate and maintain the proposed project on the project site. If this is not the case, prior to the application process, a signed letter of concurrence shall be submitted by the landowner indicating their understanding of the project and intent to work with the applicant to transfer title to the property or some other form of agreement over the project area for the life of the project to convey the right of access for project construction, operation, and maintenance. Failure to secure adequate rights to the subject property prior to installation of the project will result in a strict cancellation of the grant agreement.
- Acceptance of public funds to complete a project that benefits natural resources does not open the property to public access. Site access will be required by ACD staff or representatives during project installation and for the life of the project to complete inspection/monitoring of project function and to provide maintenance guidance. ACD may require a deed restriction and access agreement to compel current and future owners to maintain the project and allow ACD access to the project.
- Acceptance of public funds to complete a project that benefits natural resources requires the owner allow ACD to place signage acknowledging the funding source or project purpose.
- Unless otherwise approved by the ACD Board, a portion of a project becomes ineligible for funding if construction begins on that portion before a cost share contract has been approved.
- Grants will not be awarded for projects required by permit or law.
- The grant recipient is responsible to secure required permits and approvals either directly or through their contractor. In some cases ACD may be able to help with this.
- Any submitted information, including applications, designs, cost estimates, project specifications, permits, photos, studies and reports, and proof of expenditures becomes part of the public record.
- Projects that are completed to meet regulatory requirements are not eligible for funding.

## DESIGNS AND OVERSIGHT

- Principal or Specialist level staff shall oversee project management. When required by the funding source, project design sign-off must be from a professional engineer or staff with appropriate NRCS job approval authority. The NRCS Field Office Technical Guide, MN Stormwater Manual, BWSR Native Vegetation Establishment and Enhancement Guidelines, or other standards generally accepted by the engineering

profession will be used for project design, construction, operations and maintenance. Designer or installer credential, licensure, or certification may be required depending on the project type, scope, size, and complexity.

- Grant agreement non-compliance will be reviewed by the operations committee with a recommendation to the ACD Board. The committee shall seek input from staff of the agencies that provided funding. The primary goal will be to maintain/restore the project benefits. Failing that, minimally, a pro-rata refund of cost share funds will be sought based on the benefits received compared to the anticipated benefits over the planned life of the project.

## SUBSURFACE SEWAGE TREATMENT SYSTEMS (SSTS; SEPTIC SYSTEMS)

- Detailed policy is included with the ACD SSTS Fix Up Grant Application found at [www.AnokaSWCD.org](http://www.AnokaSWCD.org).

## WELL SEALING PRACTICES

- Wells to be sealed must be within a Drinking Water Supply Management Area (DWSMA) or the Mt. Simon Hinckley aquifer.
- Cost share payment amount is 60% of total cost to seal the well. Work needs to be completed by a contractor who is licensed by the State of Minnesota to seal wells. The ACD board may consider, on a case by case basis, other rates based on actual quotes and benefits.

## STRUCTURAL PRACTICES

- Structural practices include constructed projects including stormwater ponds, rain gardens, agricultural water and sediment control basins, and others.
- ACD will consider funding tile installation only if it is a support practice or part of an approved practice (i.e. water and sediment control basins or stormwater runoff controls).
- Funding will not be provided for tile installation if the activity will impact a wetland or is for the sole purpose of drainage.
- Funding will not be provided to increase tile capacity or size beyond design capacity for the purpose of agricultural drainage. The applicant is solely responsible for costs associated with increased tile capacity. All modifications or connections must have prior approval to ensure that the changes do not negatively affect the success of the approved practice.
- Unless specified otherwise by Minnesota prevailing wage statutes, the value of labor, equipment, materials and/or services that are proposed to be provided by the applicant to complete the project, shall be estimated at:
  - General Labor rate of \$25 per hour. (Date, times and activity must be documented)
  - Heavy equipment operation such as skid steers, tractors, backhoes, and scrapers (including labor) at \$75 per hour. (Date, times and activity must be documented)
  - Other equipment rates as listed on the most recent Iowa State University – Iowa Farm Custom Rate Survey – Average Charge rate.
  - Professional or semi-professional services, such as engineering, labor rate at \$100 per hour. (Date, times and activity must be documented)
  - Other items: Fair market value with prior approval by the ACD Board.

## NON-STRUCTURAL LAND MANAGEMENT PRACTICES

- Non-structural land management practices that provide benefits to water quality, soil health and wildlife habitat may include conservation tillage, cover crops, street sweeping, or others.
- Non-structural Ag BMPs (management BMPs) must be an enhancement of existing management practices that will reduce soil erosion, improve soil health from existing levels, and have a benefit for water quality. A practice must implement a higher level of conservation than what has been implemented on the field in the past 3 years.
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- For grants from the MN Board of Water and Soil Resources (BWSR), contract with land occupiers with flat rate payments must follow the BWSR Grants Administration Manual section on flat rate payments. Contract payments plus other local, state, and/or federal payments cannot exceed the cost of implementation.
- For flat-rate contract payments, the applicant must certify that the practice was completed according to plans and specifications developed by the ACD.
- Practices will be planned for [1- to 3-years of implementation, depending upon funding source rules. For practices with 3 years of implementation, one payment shall be made after the first year that the practice is successfully implemented, and inspected by the Member annually thereafter. For practices with 1 year of implementation, one payment shall be made after certification of practice completion.](#)
- Eligible agricultural practices include but are not limited to:
  - 1. Cover Crops**
    - (a) Must follow NRCS Practice Standard 340 (except for the seeding date which will follow the Midwest Cover Crop Council Seeding Guide recommendations)
    - (b) Three-year contract, one-year practice lifespan implemented annually for three years.
    - (c) Payment rates:
      - (i) 1-2 species mix: \$50/acre/year
      - (ii) 3+ species \$60/acre/year
    - (d) Implementation can occur on different acres within the three-year contract or on the same acres consecutively.
    - (e) 40 acres/year maximum per person, entity, or corporation.
    - (f) Cover crop must be applied to an annual row crop. Eligible crops include corn, soybeans, or small grains.
    - (g) The land cannot be in any form of non-compliance status.
    - (h) ACD/NRCS staff will assist in the development of a seeding plan prior to entering a contract with ACD.
    - (i) Cover crop cannot be terminated until after January 1 of the following year.
    - (j) Seeding dates will follow the Midwest Cover Crop Council Seeding Guide recommendations (the latest date allowed to plant a cover crop is November 20<sup>th</sup>).
  - (2) Residue and Tillage Management – No-Till & Strip Till**
    - (a) Must follow NRCS Practice Standard 329 for No-Till/Strip-Till
    - (b) Three-year contract, one-year practice lifespan implemented annually for three years.
    - (c) \$20/acre/year
    - (d) Implementation can occur on different acres within the three-year contract or on the same acres consecutively
    - (e) 100 acres/year maximum per person, entity, or corporation.
  - (3) Residue and Tillage Management - Conservation Tillage**
    - (a) Must follow NRCS Practice Standard 345 for Conservation Till
    - (b) Three-year contract, one-year practice lifespan implemented annually for three years.

- (c) \$10/acre/year
  - (d) Implementation can occur on different acres within the three-year contract or on the same acres consecutively.
  - (e) 100 acres/year maximum per person, entity, or corporation.
  - (f) Residue cover following a corn crop at the time of planting the subsequent crop must be 60% or greater.
  - (g) Residue cover following a soybean crop at the time of planting the subsequent crop must be 30% or greater.
  - (h) Residue cover following a small grain crop at the time of planting the subsequent crop must be 60% or greater.
- (4) Conservation Cover**
- (a) Must follow NRCS Practice Standard 327
  - (b) 10-year contract, 10-year practice lifespan
  - (c) Payment rates:
    - (i) Introduced species \$200/acre
    - (ii) Native species \$350/acre
    - (iii) Pollinator species \$500/acre
  - (d) 20 acres maximum per person, entity, or corporation, one-time payment.
- (5) Conservation Crop Rotation**
- (a) Must follow NRCS Practice Standard 328
  - (b) Three-year contract, one-year practice lifespan
  - (c) \$30/ac/year
  - (d) Implementation can occur on different acres within the three-year contract or on the same acres consecutively
  - (e) 100 acres/year maximum per person, entity, or corporation
  - (f) The additional crop added to the rotation must improve the SCI to be eligible. Minimum of 3 crop types in the rotation and listed in the 328 practice standard Table 2: High Residue Producing Annual Crops. Participants must demonstrate the applied for acres have a history of continuous annual crop. Fall tillage will not be allowed in the 328 year and minimal disturbance required if applying manure. Light tillage allowed if broadcasting a cover crop after small grain harvest to lightly incorporate.
- (6) Forage and Biomass Planting**
- (a) Must follow NRCS Practice Standard 512
  - (b) 10-year contract, 10-year practice lifespan
  - (c) \$150/acre
  - (d) 100 acres per person, entity, or corporation, one-time payment.
  - (e) Requires conversion from row crop.
- (7) Prescribed Grazing**
- (a) Must follow NRCS Practice Standard 528
  - (b) Three-year contract, one-year practice lifespan
  - (c) \$40/acre/year
  - (d) Implement on the same acres annually
  - (e) 20 acres/year per person, entity, or corporation

- Eligible urban nonstructural practices must be an enhancement of existing management practices that will reduce sediment and phosphorus discharges from urban areas. Practices include but are not limited to:
  - 1) **Enhanced Street Sweeping**
    - (a) Must follow the Enhanced Street Sweeping Evaluation Plan developed by the Lower St. Croix Watershed Partnership
    - (b) Must be for a three-year contract
    - (c) Payment rates:
      - (i) Tier 1 \$100/curb-mile/year (complete the MPCA credit calculator based on curb miles swept and provide the report). 50 miles maximum per community per year.
      - (ii) Tier 2 \$125/curb-mile/year (complete the MPCA credit calculator based on the tracking of weights, dates, and provide the report). 40 miles maximum per community per year.
    - (d) Maximum payment not to exceed \$5,000/year