MEMO

To: BCWMC Commissioners  
From: Laura Jester, Administrator  
Date: January 10, 2018  

RE: Item 5F. BWSR’s Watershed-Based Funding Pilot Program

RECOMMENDATION: Direct staff to attend initial meeting of the watershed organizations of Hennepin County and continue discussions to develop recommended approach to new funding policy.

At their meeting on December 20, 2017, the Board of Water and Soil Resources (BWSR) approved a new policy related to the distribution of Clean Water Funds. BWSR’s vision for this new policy is to move towards more systematic Clean Water Funding for local water management (LWM) authorities on a watershed basis. It’s believed this funding approach will result in greater efficiency and effectiveness for both LWM authorities and the state and is critical for Minnesota to reach its clean water goals.

The new policy provides expectations for implementation activities conducted through the Watershed-Based Funding Pilot program as defined by the Clean Water Fund appropriation under Laws of Minnesota 2017, Chapter 91, Article 2, Section 7 (a). The guiding principles for watershed-based funding are similar to those for the competitive Clean Water Fund grant process.

Watershed-Based Pilot Program funding...

- will be used to implement management plans developed under the One Watershed, One Plan program or the Metropolitan Surface Water Management Act (such as the BCWMC Watershed Management Plan) and Groundwater Management Acts.
- must be based upon accountability and measurable progress being made on elements of the management plan.
- associated with Clean Water Funds will be consistent with the State’s Nonpoint Priority Funding Plan (NPFP).
- envisions a holistic and flexible approach that includes both protection and restoration.
- envisions funding requests through a single work plan.
- will require a non-state contribution.

In the Metro Area, planning units based on county boundaries were established. In each county, eligible entities (those entities previously eligible to receive Clean Water Funds including 45 cities and 11 watershed organizations in Hennepin County) must collectively decide between two options for distribution of FY2018/2019 funds (see Table 1 on page two for funding allocation levels):

1. By June 30, 2018 create a Collaborative “Prioritized-Targeted-Measurable” (PTM) Implementation Plan and submit budget request workplan to BWSR; or
2. Opt into the Metro Competitive Grant Process
A Collaborative PTM Implementation Plan is a written, BWSR-approved document that includes 1) a description of the partnership of entities and the decision making process used to develop the plan; 2) the time frame of the plan; 3) implementation actions; 4) responsible party; and 5) budget.

The steps included in developing a collaborative plan include:

1. Convene initial meeting
2. Each local government within county area identifies a voting representative (and alternate) to attend meetings
3. Inform BWSR who is serving as the convening organization and the decision-making process that will be used
4. Describe the process used to select projects and programs for the “Collaborative PTM Implementation Plan” and how success will be evaluated
5. Identify projects and programs in an eLINK budget request and work plan

If the Hennepin County entities collectively decide not to prepare a collaborative plan and instead opt into a Metro Competitive Grant Process, at least $1,018,000 will be available for competitive grant applications. (Actual available funds may be higher depending on how many counties opt into the grant process. Funding from ALL Metro counties that opt into the grant process will be pooled for the grant process.)

At this point, Hennepin County staff is convening a "pre-initial" meeting of administrators of the 11 Hennepin County watershed organizations to gauge interest in the collaborative approach, talk through how a collaborative approach might work, and discuss how to proceed with communications with eligible cities.

I recommend the Commission direct me to attend the initial meeting of watershed administrators, attend any additional meetings on the subject (if scheduled before the February Commission meeting) and bring additional information and/or recommendations to the February Commission meeting.