

Guiding principles and selection criteria for the Clean Water Act Section 319 Small Watersheds Focus grant program

Sustainable implementation funding for selected small watersheds

The federal Clean Water Act Section 319 (Section 319) grant program provides funding to states to address nonpoint source (NPS) water pollution in watersheds. The Minnesota Pollution Control Agency (MPCA) passes through approximately \$2.8 million in Section 319 grants annually to local governments and organizations to implement best management practices (BMPs) and adopt strategies to mitigate NPS. Changes in federal program guidance necessitated changes to state administration of the program. This document outlines the principles and criteria for Minnesota's administration of the 319 Small Watersheds (Small Watersheds) Focus Program to meet the federal program requirements. It also provides guidance and parameters for the selection of the Focus Watersheds that will then be eligible to receive Small Watersheds grant funds for U.S. Environmental Protection Agency (EPA) Section 319 grants. Funding for the selected Focus Watersheds will continue in subsequent years for implementation projects. The goal of the Small Watersheds Program is to achieve the water quality objectives in the selected watersheds.

Background

In the past, Section 319 grant funds have been awarded annually on a competitive basis to projects based on an assortment of diagnostic studies, total maximum daily loads (TMDLs), and water plans. The EPA has shifted their focus to geographically smaller and longer-term watershed projects, based on watershed-based plans meeting the requirements of the *EPA Handbook for Developing Watershed Based Plans* (<https://www.epa.gov/nps/handbook-developing-watershed-plans-restore-and-protect-our-waters>). These watershed-based plans will be called nine element (NKE) plans in the Small Watersheds Program, and will use and build upon existing local water plans and state reports.

Vision, purpose, and operation

The intent of the program is to make measurable progress for the targeted waterbodies in the Focus Watersheds, ultimately restoring impaired waters and preventing degradation of unimpaired waters. The Small Watersheds Program will provide sustainable, longer-term funding to a select number of Focus Watersheds, which will develop detailed NKE plans following the EPA guidance and using existing local water plans and state reports. They will then be eligible to receive Section 319 grant funds to implement the NKE plan over the course of multiple grant cycles, for up to approximately sixteen years. The Focus Watersheds will represent a cross-section of small watershed projects across the state that support local goals as expressed in local water plans, and the state's priorities (*Nonpoint Source Funding Priority Plan, Nonpoint Source Management Program Plan, MPCA Strategic Plan, Minnesota Nutrient Reduction Strategy, etc.*). The Focus Watersheds will be prioritized for funding to provide a longer-term, stable funding source for staffing, local participation, and implementation of BMPs to achieve water quality goals.

The Small Watersheds Program selected ten small watersheds to begin the program shift in the spring of 2018 for funding in federal fiscal year (FFY) 2020. Ten additional watersheds were selected in 2019 with 10 more to be selected in each year for 2020 and 2021. These watersheds will be eligible for funding beginning in FFY 2021, FFY 2022, and FFY 2023, respectively to form four groups of watersheds (Groups A to D).

The Small Watersheds Program is contingent upon Congressional appropriations and satisfactory project implementation progress.

Commitment and responsibilities

The development of a NKE plan will require substantial time and effort on the part of the local project sponsor prior to the receipt of Small Watershed Program funds; however, the MPCA is committed to providing support and guidance to the selected watersheds.

The foundations of the NKE plans will be comprised of information from previous and current monitoring, diagnostic studies, TMDLs, WRAPS, One Watershed, One Plans (1W1Ps) or other local water plans, modeling and watershed tool applications, and implementation projects. The primary work in completing the NKE plan will be to integrate the available information and augment the information with some additional work. Additional detail is required for these plans and will require input from local partners.

To get the watersheds started the MPCA will compile the available information, including watershed plans, monitoring reports, MPCA modeling, and publically available implementation information. Watershed partners will need to supply information that is not readily available such as, PTMAApp analysis, ACPF analysis, other watershed models, non-published plans and reports, etc. Available information in the watershed will vary from highly waterbody-focused and detailed plans to higher-level plans developed at larger watershed and/or geographic scales. MPCA staff will then collaborate and assist the local watershed staff in determining if available information meets the nine elements required by the EPA and if additional information is needed. MPCA staff will assist the watersheds in developing additional information to meet the nine elements. Local partners will need to assist the MPCA staff by providing information and decision-making to complete the plan; however, the level of effort is not expected to be great or require large dollar amounts of investigative work.

The NKE plans are expected to be iterative. As new information and data become available, the watershed partners are expected to employ adaptive management to stay on track. A key goal for the NKE plans is to support the development and enhancement of partnerships among landowners and other citizens, LGUs, organizations, businesses, and state and federal agencies.

Once the NKE plans are approved for funding by the EPA, each of the Focus Watersheds will be eligible for initial funding beginning in FFY 2020 and in subsequent years (e.g., Group A will be eligible in FFY 2020, Group B in FFY 2021, etc.). The annual request for proposals for Section 319 project funds will give funding priority to these watersheds. Individual grant work plans will be drawn from the overall NKE plans. To be eligible for the funding, the proposed projects must be described in the NKE plan. In all, each of the Focus Watersheds will have up to sixteen years (or four four-year grants) of funding to implement the NKE plan. If the project reaches success and completion earlier, the term of the project will be shorter.

Local governments and organizations representing the Focus Watershed will need to be committed to developing the NKE plan and working diligently with their constituents to generate participation. Project sponsors must be prepared to execute projects for up to four (four-year) funding cycles. Grant funds can be used for staffing the project, installation of BMPs, development and distribution of marketing materials, coordination of public participation activities, and activities defined as eligible by the federal Section 319 program and Minnesota's NPSMPP.

While up-front work on behalf of the project sponsor will be needed, the opportunity for the project sponsors will be the receipt of Small Watersheds Program funds to implement the Focus Watershed project(s) for up to 16 years. A key component for the 319 Small Watershed Focus Program is to provide a relatively stable source of funding to help build and keep staff capacity to encourage the development of partner, landowner, operator, and citizen relationships in the project. As these relationships develop, implementation occurs, and problems are identified, the NKE plans should be adapted to maintain progress toward achieving the watersheds' water quality goals.

Completion of the written NKE plan only represents a portion of the effort needed to bring the projects to life through the development of relationships and communication among the watershed citizens and partners. The

NKE plan will be an iterative process with changes being made on an ongoing basis. It will be a multi-year effort, potentially up to 16 years, which will require the dedication, focus, and collaboration of the watershed partners and stakeholders.

The Section 319 grant requirement for a 40% match of money and/or in-kind services from non-federal sources remains part of the program. Continued funding will be contingent on demonstrating continued progress and measurable results and accountability. Section 319 funds are appropriated annually at the discretion of the U.S. Congress.

Selection of Focus Watersheds

Expressions of interest will be accepted from LGUs on a continuous basis. In late spring of 2020 and 2021 an announcement requesting potential project sponsors to submit letters of interest to participate in the Small Watersheds Program will be sent with a deadline for letter submission for the selection process for the particular year. A combination of watershed-specific information, state priorities, site visits, and watershed partner interviews will be used in selecting the Focus Watersheds for the program. Additional information is available at <https://www.pca.state.mn.us/section-319-focus>.

Criteria for selecting Focus Watersheds

Selection criteria to be used in 2020 and 2021 include the following items:

1. **Local unit of government capacity and commitment** to a long-term project, involving a high level of coordination and collaboration among groups and individuals. Willingness to utilize project funding in developing and maintaining local staffing, working with MPCA staff in creating an actionable NKE plan, and to adapt the strategies and subsequent implementation as the project proceeds. Proven partnerships with area interested parties and stakeholders, including, but not limited to, other LGUs, local/regional stakeholders and leaders, watershed landowners and citizens, state agencies, academic institutions, environmental groups, trade groups, and/or other interested parties must be demonstrated. This includes the willingness to be flexible.
2. **Availability and compilation of previous and/or current streamflow, water quality, and landscape data and analysis** for the individual waterbodies and their watershed. Watershed analysis tools and reports include various models (HSPF, SWAT, PTMAApp, etc.), SWCD/NRCS conservation planning, TMDL Studies, WRAPS Reports, other monitoring data, etc.
3. **Partners must begin the process with existing strong local water plans.** The strategies, actions, and data contained in these local water plans will provide the foundation of the Focus grant workplans.
4. **Waterbody assessed for impairment by the MPCA** – The small watersheds selected must (except as noted below under “Protection”) have a waterbody identified as being impaired on the MPCA CWA Section 303(d) impaired waters list, given that water quality restoration is the priority of the Section 319 program. The waterbody of focus must be assessed for impairment based on pollutant or biological criteria. Preference will be given to watersheds where the waterbody is most likely to show a measurable change in water quality with NPS implementation, and a high likelihood of resolving the impairment. Emphasis will be given to waterbodies that are “barely” impaired to increase the opportunity to attain water quality standards.
Protection — By exception, watersheds may be selected for waterbody protection, given that EPA guidance does allow funding for limited protection work. The selection criteria will be based on the Department of Natural Resources’ (DNR) and the MPCA’s water quality trend information, sensitivity of the waterbody to phosphorus, and the proximity to the water quality standard (“nearly” impaired). The criterion for lakes are fully explained in *Incorporating Lake Protection Strategies into WRAPS Reports* at <https://www.pca.state.mn.us/sites/default/files/wg-ws4-03c.pdf>. Protection criteria for streams is still being developed.
5. **MPCA Strategic Plan** – The water quality-related goals in the MPCA Strategic Plan for 2018 - 2022 include “reducing chloride entering surface waters and groundwater” and “accelerating prioritized and targeted

reductions in nutrient pollution by integrating strategies with local watersheds”. The MPCA strategic plan is located at <https://www.pca.state.mn.us/sites/default/files/p-gen1-21.pdf>.

6. **State priorities as described in the *State Nonpoint Priority Funding Plan*** (<http://www.bwsr.state.mn.us/planning/npfp/index.html>), including:
 - Restore those impaired waters that are closest to meeting State water quality standards.
 - Protect those high-quality unimpaired waters at greatest risk of becoming impaired.
 - Restore and protect water resources for public use and public health, including drinking water.
7. **Geographic representation** – Focus Watersheds representing multiple major drainage basins of the state.
8. **Waterbody of interest** – The watershed includes a waterbody that is valued locally or regionally by citizens. The interest and significance of the waterbody may be documented in local water plans, Watershed Restoration and Protection Strategies (WRAPS) reports, previous watershed projects, and other information. A waterbody of interest does not refer only to a recreational value; each community will have their own reasons for taking interest in a waterbody.
9. **National Water Quality Initiative (NWQI) or Mississippi River Basin Initiative (MRBI) watersheds** – In support of the EPA’s commitment to the NRCS for the coordination of water quality improvement efforts, the NWQI/MRBI watersheds will be an influencing selection factor. The partnership and integrations of multiple agencies is a focus of the Section 319 program guidance.
10. **Opportunities to leverage other funds** – A 40% non-federal fund match is required; however, amounts above this percentage are encouraged if possible.
11. **Environmental justice** – Applicants should highlight any environmental justice concerns for their watersheds. The MPCA is committed to making sure that pollution does not have a disproportionate impact on any group of people. This means that all people, regardless of their race, color, national origin or income should benefit from equal levels of environmental protection. The story map (<http://mpca.maps.arcgis.com/apps/MapSeries/index.html?appid=f5bf57c8dac24404b7f8ef1717f57d00>) includes layers to show where there are 40% or more of people reporting less than 185% of the federal poverty level, 50% or more people of color, and federally recognized tribal areas. These GIS layers will help determine environmental justice considerations in the watershed.

Definitions of terms

Focus project workplan: A workplan for an individual project in a Section 319 grant contract developed from a Focus NKE plan.

Focus Watersheds: Watersheds that are selected to participate in the 319 Small Watersheds Focus Program and receive priority funding from the Section 319 grant program. These watersheds will meet state and local priorities.

NKE plan: The detailed plan for addressing all impairments and protection opportunities in the Focus Watershed. The Focus NKE plan will provide the framework for projects that are eligible for Section 319 funding and projects requiring other funding.

Small Watersheds program: The Clean Water Act Section 319 program shift to meet the requirements of the EPA. The intent is to prioritize and target specific areas to increase the benefits of implementation and affect measurable differences in water quality.