Watershed-based funding

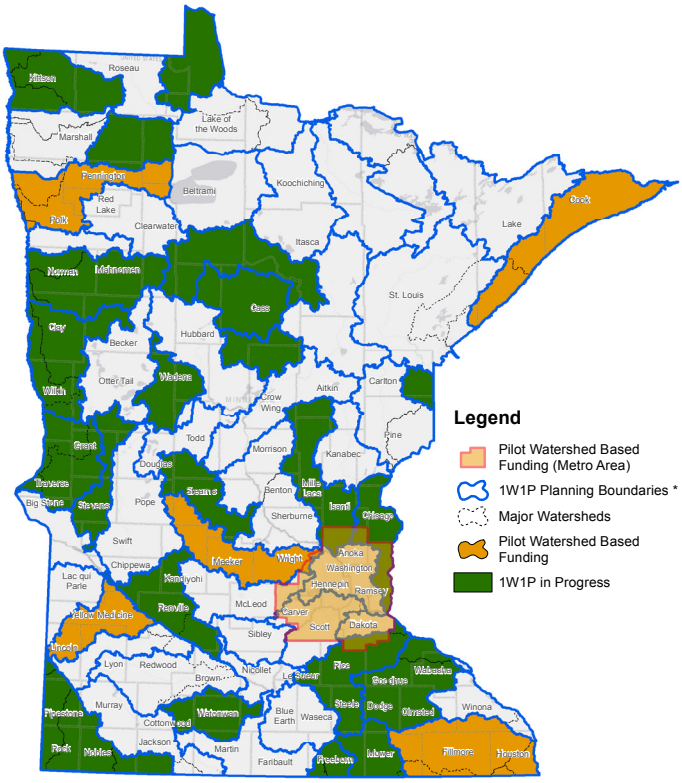
Coordinated, Streamlined, Predictable, Accountable

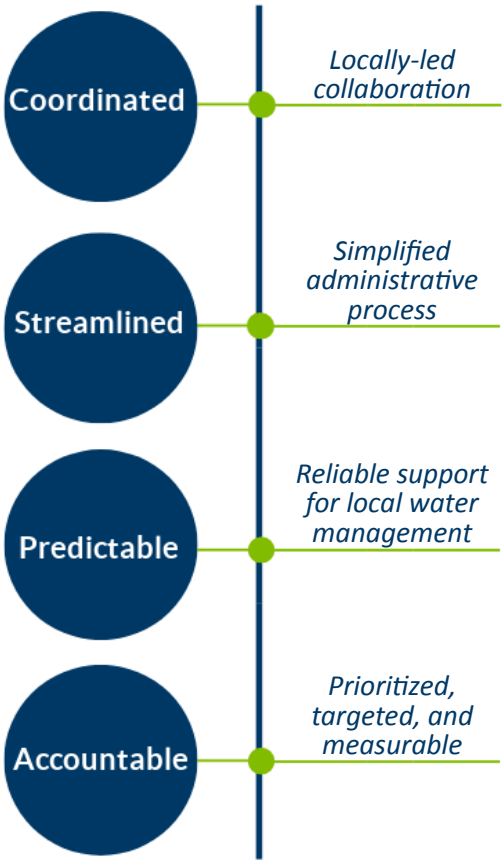
Why transition to watershed-based funding?

Watershed-based funding is an alternative to the traditional project-by-project competitive grant processes often used to fund water quality improvement projects. This funding allows collaborating local governments to pursue timely solutions based on a watershed's highest priority needs.

The approach depends on comprehensive watershed management plans developed by local partnerships under the One Watershed, One Plan program or the Metropolitan Surface Water or Groundwater Management framework to provide assurance that actions are prioritized, targeted, and measureable.

The Board of Water and Soil Resources (BWSR) is moving toward watershed-based funding to accelerate water management outcomes, enhance accountability and improve consistency and efficiency across the state. This approach allows more projects to be implemented and helps local governments spend limited resources where they are most needed.



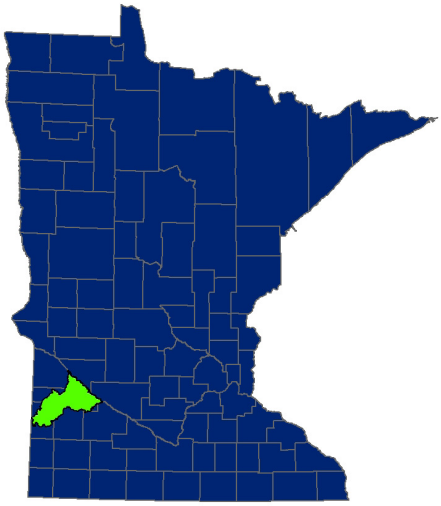


Local Support

Watershed-based funding is grounded in the Minnesota Water Management Framework, a comprehensive approach to water management. It is supported by the Association of Minnesota Counties, the Minnesota Association of Soil and Water Conservation Districts, and the Minnesota Association of Watershed Districts.

BWSR is working with our local government partners to develop the apportionment and distribution options.

Pilot program spotlight: Yellow Medicine River



Watershed Area

In 2016, the Yellow Medicine River planning partnership produced one of the first One Watershed, One Plan comprehensive management plans approved by BWSR.

Then in 2017, BWSR awarded the partnership a $551,700 watershed-based grant that has allowed the group to leverage federal dollars that will supplement funding for landowners interested in implementing new conservation practices. Rather than a flat distribution of funds across the watershed, the group's plan strategically prioritizes where and how they target their efforts.

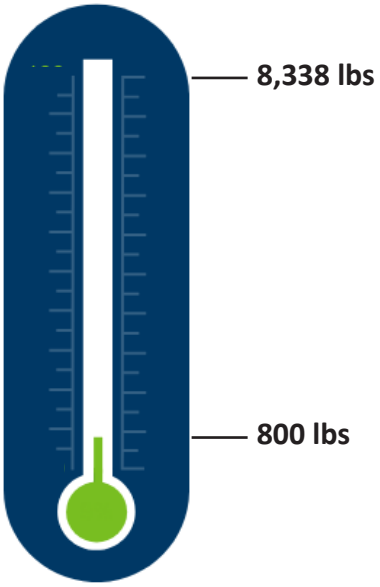
> **"This is how you have to think, as a watershed, not as 'I'm part of this county,' or 'I'm part of this district.' The watershed isn't just isolated to our county. As projects are being done upstream, it's ultimately going to help us downstream."**
>
> — Ron Antony, Yellow Medicine County Commissioner

Left: *The Yellow Medicine River meets the Minnesota River southeast of Granite Falls. Reducing nutrients in streams, mitigating altered hydrology and protecting groundwater are among the planning partnership's goals.*
Photo Credits: BWSR

Yellow Medicine Planning Partnership Goals

	Phosphorus Reduction (%)	Phosphorus Reduction (lbs)	Water Storage (acre ft/year)
Watershed-based funding Goals	**~1%**	**800**	**100**
10-Year Plan Goals	**10%**	**8,338**	**1,000**

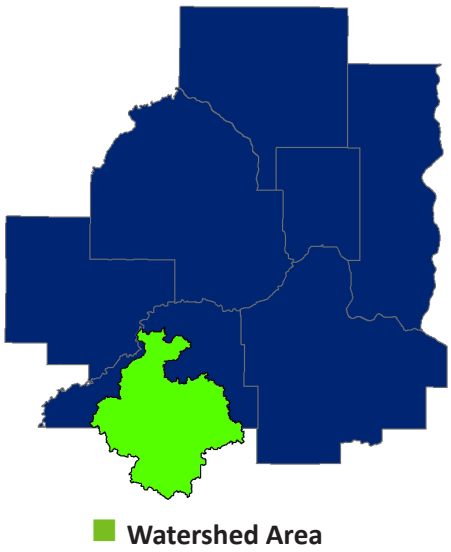
Progress toward 10-year plan phosphorus goal



Targeted watershed approach: Sand Creek

Funding water quality improvement projects on a watershed basis is not a new concept. For years, targeted watershed grants have been made available by BWSR as an alternative to project-specific competitive grants.

A recent example of effective project implementation on a watershed basis can be found in Sand Creek just south of Jordan. Sand Creek's fast-moving water amid the bluffs churns eroded soil, resulting in suspended sediment loads five to 10 times higher than elsewhere in the watershed. Sediment degrades habitat and water quality, and as a result Sand Creek does not meet water quality standards.



An intensive 2010 study completed by the Scott Watershed Management Organization (WMO) with support from the Minnesota Pollution Control Agency showed erosion from streambanks, bluffs, and ravines. After analyzing these erosion issues, this local organization was able to target what conservation practices would be most useful and determine the areas of highest priority. BWSR then awarded the group a $2.2 million Clean Water Funded Targeted Watershed Demonstration Program Grant to help meet its goal of cutting Sand Creek's annual sediment-loading by about 25 percent — keeping an estimated 2,000 tons of sediment out of the stream each year.

Since BWSR awarded the grant, 1,659 tons of sediment have been removed from Sand Creek, a 20 percent sediment reduction.

The grant funding from BWSR allows the WMO to complete 33 cost-share projects to meet sediment reduction goals.

Results as of January 2018:

- Streambank stabilization: **300 feet**
- Shoreline protection: **405 feet**
- Buffered waterways: **3,840 feet**
- Cover crops: **595 acres**
- Native grass plantings: **53 acres**
- Grade-control structures: **16**
- Restored wetlands: **4.3 acres**

These collaborative efforts to clean up Sand Creek demonstrate the clear advantages of prioritizing water-quality projects on a watershed basis.

Stabilization of two banks and an adjacent ravine are among the projects Scott Watershed Management Organization funded with help from a BWSR-administered Targeted Watershed Demonstration Grant.

***Right:** Where Sand Creek eroded the toe of the stream, tons of sediment were being lost. A restored floodplain was revegetated and root wads were installed in the bank to reduce the energy of flowing water. Netting protects planted trees from deer. The slope will continue to erode; sediment deposited at the bottom will result in a more stable slope that revegetates on its own.*

What's next?

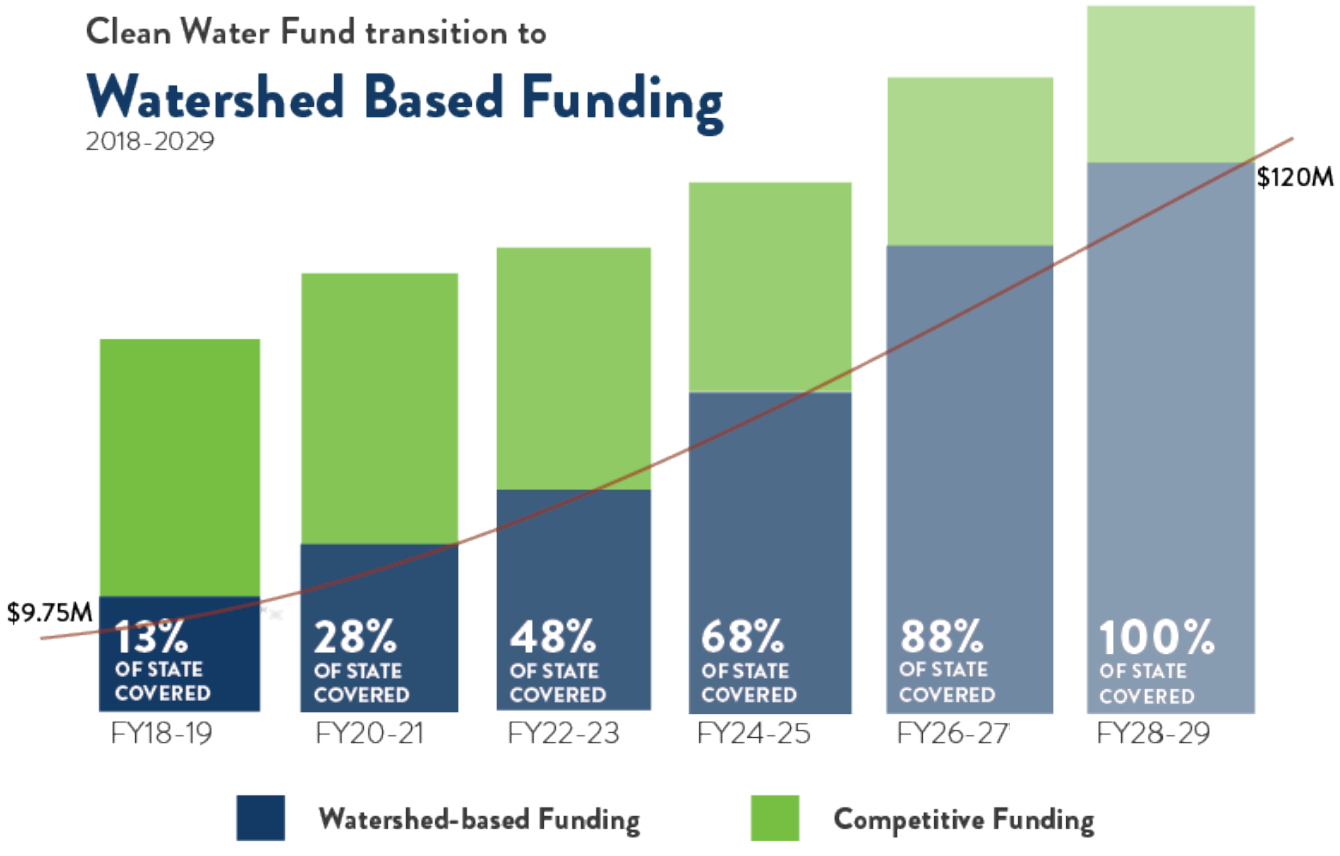
Assurance measures

BWSR awarded the first watershed-based funding grants in December 2018 as a pilot initiative. One component of the pilot is developing and using a set of metrics to better quantify the benefit of this funding approach.

The information gathered will be evaluated to further refine how best to assure program accountability.

How do we measure accountability?

- Asking how planning partnerships leverage outside funds
- Ensuring clean water grant work is consistent with comprehensive watershed management plan priorities and identified actions
- Reviewing progress of programs, projects and practices implemented in identified targeted areas
- Understanding contributions of prioritized, targeted and measurable work in achieving clean water goals



Percentage increases are approximate

BWSR

Association of Minnesota Counties

MASWCD

MINNESOTA ASSOCIATION OF WATERSHED DISTRICTS, INC
Land and Water Shall be Preserved