

Competitive Grant Request for Proposal (RFP)

SOURCE WATER PROTECTION

March 2024

Competitive Grant Request for Proposal (RFP)

Minnesota Department of Health
Drinking Water Protection
651-201-4576
health.swpgrants@state.mn.us
www.health.state.mn.us

To obtain this information in a different format, call: 651-201-4576.

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Notification of grant availability

Applications for this grant program are not being accepted between Monday, April 1st, 8:00 a.m. and Tuesday, April 30th, 4:30 p.m.

The Minnesota Department of Health (MDH) announces the availability of funding to support Source Water Protection (SWP) competitive grants for community and nontransient noncommunity PWS. SWP activities that are funded under this grant program must focus on managing or eliminating one or more potential sources of contamination that MDH has determined presents a risk to the PWS. Community PWS serve at least 25 year-round residents or have at least 15 service connections that are used by year-round residents (e.g., a municipality, rural water supply system, subdivision, or mobile home park). Nontransient noncommunity PWS serve at least 25 of the same persons over six months per year (e.g., school, factory, industrial park, or office building). The funding for SWP competitive grants is provided under [Minnesota Session Laws - 2023, Regular Session, Article 2, Section 7](#).

Based upon availability of funds, Competitive SWP grants will be offered annually, during the months of April and October.

Introduction

Source water protection activities are funded by Clean Water Fund appropriations approved by the Legislature. MDH uses these funds, in part, to establish a SWP competitive grant program. This program is administered through the Drinking Water Protection Section.

The fundamental goal of SWP is to prevent contamination from entering sources of public drinking water at levels that present a risk to people. SWP applies to all types of PWS and is based on requirements in the federal Safe Drinking Water Act and authorities granted to MDH by the state legislature. In Minnesota, SWP is divided into wellhead protection that focuses on 1) groundwater that is used for PWS and 2) intake protection that focuses on surface water that is used for PWS.

These are competitive grants that will help implement SWP measures regardless of whether a community or nontransient noncommunity PWS has a SWP plan in place. SWP plans are either 1) wellhead protection plans that have been approved by MDH under requirements of Minnesota Rules Parts 4720.5100 to 4720.5590 or 2) surface water intake protection plans that have been endorsed by MDH or 3) MDH approved action plans. For qualifying PWS without a SWP plan, these measure(s) must address a public health risk related to the drinking water source that has been identified by MDH.

Grant awards

The total amount of funding that is available under this notice is \$85,000. The minimum amount for any grant is \$500 and the maximum amount is \$10,000 and requires an equal cost share. However, when more than one qualifying community or nontransient noncommunity PWS applies under the same grant request, the cap amount will be increased by as much as \$10,000 for each additional PWS up to a maximum grant amount of \$30,000 if three or more PWS apply jointly. Joint applications must identify which applicant will serve as fiscal agent and include a letter of support from the other PWS(s).

Matching funds

An equal cost share for each work item is required for receiving a grant. Cost share activities must be grant-eligible activities. Cost sharing is auditable and must be allowable under cost principles and verifiable to records.

A PWS can use its own financial resources or funding obtained from a private or federal grant to meet the cost share requirement for a competitive grant. The following may not be used as cost share for a competitive grant: a SWP plan implementation grant; Drinking Water Revolving Fund (DWRP) funding; another state grant; or another Clean Water Fund grant.

Funding period

All of the funds that are awarded under this FY 2024 Competitive Spring RFP, must be expended by December 15th, 2025. Based upon availability of funds, SWP competitive grants will be offered to PWS annually, during the months of April and October.

Termination for insufficient funding

The State may immediately terminate this grant if it does not obtain funding from the Minnesota Legislature, or other funding source. Termination must be by written notice to the grantee. The State will not be assessed any penalty if the grant is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. The State must provide the grantee notice of the lack of funding within a reasonable time of the State's receiving that notice.

Eligibility

A SWP competitive grant is intended to support implementation of the drinking water protection measures that address a potential source of contamination exhibiting a high risk that is either 1) described in a SWP plan or an extension or 2) recognized by MDH through formal correspondence with the PWS (most recent sanitary survey; Notice of Violation (NOV) / Administrative Penalty Order (APO) with compliance agreement; or project evaluation form from MDH Drinking Water Protection staff). Although only qualifying PWS may apply for a SWP competitive grant, they may use this funding to support the work of other parties. A PWS must meet the following conditions in order to qualify for a grant:

- Be a community or a nontransient noncommunity PWS.
- The PWS is not currently subject to administrative penalty action by MDH for violation of state or federal PWS regulations. A PWS that is subject to administrative penalty action from MDH for violating PWS regulations should not receive any type of grant until a compliance agreement is in place. The PWS will apply for a grant to implement the actions scheduled in the compliance agreement.
- All prior SWP competitive grant awards must be closed out.

Each eligible PWS can submit only one application per grant program announcement. However, eligible PWS can have a plan implementation grant and apply for a competitive grant.

Scope of work

Grant funding is to be used solely to support work that is one of the following:

- Referenced to one or more measures contained in a MDH approved SWP plan or extension to the plan.
- Identified by MDH through formal correspondence with the PWS (most recent sanitary survey)
- NOV / APO with compliance agreement
- Identified in a project evaluation form

Indirect or administrative costs related to using a SWP competitive grant are not eligible. Fundable activities involve costs that are associated with implementing and completing the project.

The work to be performed must meet applicable state regulations, particularly plan review and inspection requirements.

No PWS is required to submit two bids/quotes with their grant application, but it is in their best interest to obtain a cost estimate whenever it is possible and practical.

No equipment is to be purchased and no construction is to take place until 1) the construction plans have been reviewed and approved by MDH (if appropriate) and 2) a grant agreement is signed by MDH.

A grant application must identify:

- A description of the work that is to be performed.
- The entity responsible for completing the work.
- The cost of performing the work.
- The outcome or deliverable that will be achieved by conducting the work.
- A detailed budget to include an estimated start date for the work to be performed.
- Demonstrated value in protecting the source of drinking water if the work is for infrastructure.

Activities not fundable include:

- Activities that are not protecting drinking water.
- Activities that are already completed.
- Routine maintenance/operation of infrastructure or public water supply system.
- Illegal activities (do not meet state/local construction requirements).
- Construction permits or fees; well sealing fees payable to MDH.
- Indirect or administrative costs related to using a SWP competitive grant.

Application review process

MDH will evaluate all eligible and complete applications received by the deadline. Applicants may submit a grant application either by mail, email or fax using the form provided by MDH. Applications must be received by 4:30 p.m., Tuesday, April 30th, 2024.

Applications must be sent to:

Source Water Protection Grant Coordinator

Mail

Minnesota Department of Health
SWP Grant Coordinator
P.O. Box 64975
St. Paul, Minnesota 55164-0975

Fax

651-201- 4701

Attention: Source Water Protection Grant Coordinator

Email

Health.SWPgrants@state.mn.us

Subject line to read: "Attention: Source Water Protection Grant Coordinator, [Your Public Water System name]"

MDH is not responsible for grant applications that are lost in the mail, delayed, or undelivered via electronic transmission. For emailed or faxed applications, it is the responsibility of the applicant to ensure delivery. Applications received after the deadline will be disqualified from consideration.

Application form

You may obtain a copy of the SWP competitive grant application form by:

- Contacting the Source Water Protection Grant Coordinator
- Downloading the form that is included with this announcement
 - [Source Water Protection Competitive Grant Application \(PDF\)](#)
- Downloading the form from the [Competitive Grant](#) webpage
- Contacting the [MDH Planner and Hydrologist Districts \(PDF\)](#), or [Community Public Water Supply Unit \(PDF\)](#), or [Noncommunity Public Water Supply Unit Field Staff and Districts \(PDF\)](#), or local delegated programs, or [Source Water Technical Assistance – Minnesota Rural Water Association \(mrwa.com\)](#)
- See [Drinking Water Protection Contacts](#) website for MDH district maps and contact information

The following **documentation** is required to be submitted along with the grant application:

- The page(s) in the SWP plan that identify its measure(s) to which the work applies and project evaluation form (from MDH Drinking Water Protection staff or MRWA staff).
- Or the formal correspondence from MDH that describes the work that will be conducted (most recent sanitary survey; NOV / APO with compliance agreement).
- Or project evaluation form (from MDH Drinking Water Protection staff or MRWA staff).

Scoring grant applications

Grant applications are scored using a standard set of questions and associated point values.

The total score for each grant will be used to place it on a priority list providing that the total score meets or exceeds the minimum value. Once on the list, grants will be funded based upon:

- The score
- Health equity criteria (see below)

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- Date placed on the list
- Availability of grant funds

All awarded grant applicants that meet the health equity criteria shall be given a priority point.

MDH will assign points based upon the following grant review questions:

1. Is supporting documentation attached to the application? If not the grant review cannot proceed further. Grantee must attach at least one of the following:
 - a. Sanitary survey
 - b. MDH approved wellhead protection plan, MDH approved action plan, MDH endorsed surface water intake protection plan, or MDH approved extension
 - c. Project evaluation form - This form will be filled out by MDH staff, Minnesota Rural Water Association staff, or local delegated program assigned to the district where the PWS is located. The applicant has to contact the designated MDH staff before submitting the application, and must include the completed evaluation form with the grant application.
 - d. NOV with project evaluation form
 - e. APO with compliance agreement (APO contains one specific recommendation)
 - f. APO with compliance agreement and project evaluation form (APO contains more than one recommendation)
2. Are the work items described in enough detail with associated costs so that MDH can clearly communicate to the public how the money is being spent to protect the source of the drinking water? If not the grant review cannot proceed further.
3. Is there sufficient documentation in the detailed budget and schedule to support the grant request amount and to indicate that the work can be completed within the time period that the grant is in effect? (0 to 10 points)
4. Will the grant result in the PWS eliminating or managing a potential contaminant source? If not, the grant process cannot proceed further. (0 to 40 points) The 40 points will be awarded based on the following priorities:
 - a. Public health risk (0 to 15 points):
 - i. Sensitive geologic setting; High vulnerability of the Drinking Water Supply Management Area (DWSMA); vulnerable well 15 points
 - ii. Moderate vulnerability of the DWSMA 10 points
 - iii. Potential contaminant source does not meet required isolation distance, or includes well code violations of other types 10 points
 - iv. Install security; generators 10 points
 - v. Non-sensitive geological setting; non-vulnerable DWSMA; non-vulnerable well 5 points

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- vi. Potential contaminant source being eliminated or managed is targeted to the drinking water source 5 points
- b. Method of correction (0 to 10 points):
 - i. Consolidation/connection to a community PWS 10 points
 - ii. Alternative water supply /construction of a new well/ intake, repairing existing well / intake 10 points
 - iii. Treatment surface water, or groundwater under the direct influence of a surface water source, or a conjunctive DWSMA 10 points
 - iv. Remove potential contamination source (including well sealing) 10 points
 - v. Management potential contaminant source including management of non-point source 5 points
 - vi. Treatment groundwater source 5 points
 - vii. Improve security; generators 5 points
- c. Water quality issues (0 to 15 points):
 - i. Maximum Contaminant Level (MCL) or Health Based Value (HBV) exceedance 15 points
 - ii. Regulated contaminant value at or beyond one half of the MCL or HBV 10 points
 - iii. Other water quality detections 5 points
 - iv. Preventative action to avoid water quality problems 5 points
 - v. DWSMA - There is an existing DWSMA and the activity takes place outside the DWSMA 5 points
- 5. Water quantity issues (0 to 10 points):
 - a. Water quantity issues related to the source (e.g., impaired well capacity, source aquifer at risk of overuse, etc.). Additional production to satisfy business growth is not eligible
 - b. Preventative actions to avoid water quantity issues

Scoring results

The minimum score to be placed on the grant award list is **25 points**.

The maximum score that can be achieved is 60 points with an additional, potential, maximum of 61 points when the Health Equity priority point is applicable.

Note: MDH reserves the right to consider the application incomplete and to assign zero points if the applicant has not provided enough documentation. Points are assigned on a scale basis and depend on how much detail is provided on the application form.

Health equity

The vision of MDH for health equity in Minnesota is where all communities are thriving and all people have what they need to be healthy. One determinant of community health is available financial resources. The SWP Grant program will use Median Household Income (MHI), aggregated by city or township, to assess financial need. PWS operating at or below the MHI threshold shall be considered to meet the health equity criteria.

The SWP grant program will use the [United States Census Bureau](#), American Community Survey 2020-2022 MHI economic characteristics for cities and townships.

Two MHI thresholds will be used; Metropolitan and Non-metropolitan:

1. Cities or townships located in the 14 County Metropolitan Area with MHI at or below \$94,788. For the purposes of this MDH SWP Notification of Grant Availability, the 14 county Twin Cities Metropolitan counties are: Chisago, Isanti, Sherburne, Wright, Ramsey, Hennepin, Carver, Anoka, Washington, Dakota, Le Sueur, Mille Lacs, Sibley, and Scott.
2. Cities or townships located in non-metropolitan counties with MHI incomes at or below \$70,642. Nonmetropolitan counties are the other 73 Minnesota counties not listed above.

Examples:

1. City or township MHI would be used for PWS located within that city or township. If the MHI is less than or equal to the metropolitan or non-metropolitan MHI (dependent upon location as noted above), they would be eligible for a health equity priority point.
2. For rural water systems, a weighted average of the population and MHI of each city served by the water system will be used.

State or federally owned PWS are not eligible for health equity priority.

Public Data and Trade Secret Materials

All applications submitted in response to this RFP will become property of the State. In accordance with [Minn. Stat. § 13.599](#), all applications and their contents are private or nonpublic until the applications are opened.

Once the applications are opened, the name and address of each applicant and the amount requested is public. All other data in an application is private or nonpublic data until completion of the evaluation process, which is defined by statute as when MDH has completed negotiating the grant agreement with the selected applicant.

After MDH has completed the evaluation process, all remaining data in the applications is public with the exception of trade secret data as defined and classified in [Minn. Stat. § 13.37](#), subd. 1(b). A statement by an applicant that the application is copyrighted or otherwise protected does not prevent public access to the application or its contents. ([Minn. Stat. § 13.599](#), subd. 3(a)).

If an applicant submits any information in an application that it believes to be trade secret information, as defined by [Minn. Stat. § 13.37](#), the applicant must:

- Clearly mark all trade secret materials in its application at the time it is submitted,

- Include a statement attached to its application justifying the trade secret designation for each item, and
- Defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless MDH and the State of Minnesota, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense.
- This indemnification survives MDH's award of a grant agreement. In submitting an application in response to this RFP, the applicant agrees that this indemnification survives as long as the trade secret materials are in possession of MDH. The State will not consider the prices submitted by the responder to be proprietary or trade secret materials.

MDH reserves the right to reject a claim that any particular information in an application is trade secret information if it determines the applicant has not met the burden of establishing that the information constitutes a trade secret. MDH will not consider the budgets submitted by applicants to be proprietary or trade secret materials. Use of generic trade secret language encompassing substantial portions of the application or simple assertions of trade secret without substantial explanation of the basis for that designation will be insufficient to warrant a trade secret designation.

If a grant is awarded to an applicant, MDH may use or disclose the trade secret data to the extent provided by law. Any decision by the State to disclose information determined to be trade secret information will be made consistent with the Minnesota Government Data Practices Act ([Ch. 13 MN Statutes](#)) and other relevant laws and regulations.

If certain information is found to constitute trade secret information, the remainder of the application will become public; in the event a data request is received for application information, only the trade secret data will be removed and remain nonpublic.

Conflicts of Interest

MDH will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers per Minn. Stat. § 16B.98 and the Office of Grants Management's Policy 08-01, "Conflict of Interest Policy for State Grant-Making."

Applicants must complete the [Applicant/Recipient Conflict of Interest Disclosure \(PDF\)](#) and submit it as part of the completed application. Failure to complete and submit this form will result in disqualification from the review process.

Organizational conflicts of interest occur when:

- a grantee or applicant is unable or potentially unable to render impartial assistance or advice.
- a grantee's or applicant's objectivity in performing the grant work is or might be otherwise impaired.
- a grantee or applicant has an unfair competitive advantage.

Individual conflicts of interest occur when:

- an applicant, or any of its employees, uses their position to obtain special advantage, benefit, or access to MDH’s time, services, facilities, equipment, supplies, prestige, or influence.
- an applicant, or any of its employees, receives or accepts money, or anything else of value, from another state grantee or grant applicant with respect to the specific project covered by this RFP/project.
- an applicant, or any of its employees, has equity or a financial interest in, or partial or whole ownership of, a competing grant applicant organization.
- an applicant, or any of its employees, is an employee of MDH or is a relative of an employee of MDH.

In cases where a conflict of interest is perceived, disclosed, or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

Audits

Per Minn. Stat. § 16B.98, subd. 8, the grantee’s books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Affirmative Action and Non-Discrimination Requirements for all grantees

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified. Minn. Stat. § 363A.02. The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. [Minn. Rules, part 5000.3550](#).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

Notification process

MDH expects to inform grant applicants of the scoring results by the end of May 2024. Successful applicants will be informed that either 1) they will receive a grant using the amount that has been budgeted for this application period or 2) they are being given priority for funding in the next application period using the score and the time and date that was assigned to their application when it was received by MDH. The award decisions of MDH are final and not subject to appeal. Successful applicants may be required to provide additional information necessary for the grant agreement.

Grant management responsibilities

If awarded a grant, no work can begin until all required signatures have been obtained on the grant agreement, and the grantee receives an executed and signed copy of the grant agreement. Any costs associated with work conducted prior to a fully executed grant agreement will not be reimbursed.

Each grantee must formally enter into a grant agreement. The grant agreement will address the conditions of the award, including implementation for the project. Once the grant agreement is fully signed, the grantee is expected to read and comply with all conditions of the grant agreement.

No work on grant activities can begin until a fully executed grant agreement is in place.

The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

Allocation of the grant award

The PWS will be reimbursed once all the project activities and the grant reporting requirements have been successfully met and MDH is satisfied that the project has been completed according to the terms of the grant agreement. All work will meet plan review and inspection requirements, and will be done in accordance with all local, state and federal regulations.

The PWS has the obligation to pay any third party (contractor) at prevailing wages hired for the purpose of completing the work before receiving payment from MDH.

Grantee reporting requirements

A PWS who receives a SWP competitive grant must report the results of each work item that is funded by providing all of the following information:

- The results of performing the work that is described in the grant application.
- A summary of the costs that are attributed to performing each work item.
- A summary of the contribution that a recipient makes to the award, referred to as cost share.
- Invoice and narrative report

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Additional requirements will be listed in the grant agreement, based upon the nature of the project.

Application questions

Questions regarding the Competitive Grant Application should be directed to:

Source Water Protection Grant Coordinator

651-201-4576

health.swpgrants@state.mn.us

Resources

- [Minnesota Session Laws - 2023, Regular Session, Article 2, Section 7](https://www.revisor.mn.gov/laws/2023/0/Session+Law/Chapter/7/)
(<https://www.revisor.mn.gov/laws/2023/0/Session+Law/Chapter/7/>)
- [Source Water Protection Competitive Grant Application \(PDF\)](https://www.health.state.mn.us/communities/environment/water/docs/swp/competitive_ap.pdf)
(https://www.health.state.mn.us/communities/environment/water/docs/swp/competitive_ap.pdf)
- [Competitive Grant](https://www.health.state.mn.us/communities/environment/water/swp/competitive.html)
(<https://www.health.state.mn.us/communities/environment/water/swp/competitive.html>)
- [MDH Planner and Hydrologist Districts \(PDF\)](https://www.health.state.mn.us/communities/environment/water/docs/swpstaffmap.pdf)
(<https://www.health.state.mn.us/communities/environment/water/docs/swpstaffmap.pdf>)
- [Community Public Water Supply Unit \(PDF\)](https://www.health.state.mn.us/communities/environment/water/docs/comstaffmap.pdf)
(<https://www.health.state.mn.us/communities/environment/water/docs/comstaffmap.pdf>)
- [Noncommunity Public Water Supply Unit Field Staff and Districts \(PDF\)](https://www.health.state.mn.us/communities/environment/water/docs/noncomstaffmap.pdf)
(<https://www.health.state.mn.us/communities/environment/water/docs/noncomstaffmap.pdf>)
- [Source Water Technical Assistance – Minnesota Rural Water Association \(mrwa.com\)](https://www.mrwa.com/technical-assistance/source-water-resources/)
(<https://www.mrwa.com/technical-assistance/source-water-resources/>)
- [Drinking Water Protection Contacts](https://www.health.state.mn.us/communities/environment/water/org/index.htm)
(<https://www.health.state.mn.us/communities/environment/water/org/index.htm>)
- [United States Census Bureau](https://www.census.gov/en.html) (<https://www.census.gov/en.html>)
- [American Community Survey \(ACS\)](https://www.census.gov/programs-surveys/acs) (<https://www.census.gov/programs-surveys/acs>)
- [Minn. Stat. § 13.599](https://www.revisor.mn.gov/statutes/cite/13.599) (<https://www.revisor.mn.gov/statutes/cite/13.599>)
- [Minn. Stat. § 13.37](https://www.revisor.mn.gov/statutes/cite/13.37) (<https://www.revisor.mn.gov/statutes/cite/13.37>)
- [Ch. 13 MN Statutes](https://www.revisor.mn.gov/statutes/cite/13) (<https://www.revisor.mn.gov/statutes/cite/13>)
- [Applicant/Recipient Conflict of Interest Disclosure \(PDF\)](https://www.health.state.mn.us/about/grants/coiapplicant.pdf)
(<https://www.health.state.mn.us/about/grants/coiapplicant.pdf>)
- [Minn. Rules, part 5000.3550](https://www.revisor.mn.gov/rules/5000.3550/) (<https://www.revisor.mn.gov/rules/5000.3550/>)

Attachments

- [Competitive Grant Application \(PDF\)](#)
- [Applicant/Recipient Conflict of Interest Disclosure form \(PDF\)](#)
- [Due Diligence Review Form \(PDF\)](#)
- [Competitive Grant Invoice \(PDF\)](#)
- [Grant Narrative Report \(PDF\)](#)