

## Small Scale On-Farm Water Management Grant Program Guidelines

The On-Farm Water Management Program (OFWM) provides funding to promote water resilience to farms in Kentucky producing specialty crops for commercial sale. The Small Scale Grant (SSG) is a program for private farms that wish to implement best management practices for water management on the farm in a simple application format.

### A. Eligibility Requirements

- a. Only one individual per household may apply for the On-Farm Water Management Program funds within a program year.

A household is comprised of an individual, his or her spouse, and his or her dependents for federal income tax purposes. A business entity shall be considered in the same household as a principal of such business entity and the individual are related under 26 U.S.C 267(b) and applying 26 U.S.C 267(c).

- b. Applicants must receive either at least \$25,000 in Gross Farm Income (GFI) or 20% of gross income from farming for the previous two years, calculated by dividing the GFI amount found on the Schedule F by the Adjusted Gross Income amount found on the Form 1040. Applicants who do not file Schedule F may submit alternative documentation to establish that they meet the thresholds.
- c. Project must include a minimum of one (1) Best Management Practice with a direct water quantity benefit (See Appendix B).
- d. Project must have an established water source (municipal, pond, well, etc) that the SSG project will enhance, increase efficiency, or better utilize.
- e. Applicants must be willing to work with community partners (UK Cooperative Extension, Local Conservation District, etc.) to promote and share water management practices utilized in the project.
- f. If a project involves land not owned by the applicant, the applicant must submit a written document detailing the rights, responsibilities and future plans of the parties as it relates to the project and the land.

### B. Application Submission. Applicants must complete and submit the following to be eligible for review:

- a. OFWM Small Scale Grant (SSG) Application;
- b. All required additional documents: Map of proposed project location, Ag Water Quality Plan (AWQA) Plan, Project Timeline, Schedule F, Narrative, etc.; and
- c. Documentation of matching funds for project.

### C. Application Consideration

- a. The Applicant shall be notified of receipt of OFWM application and anticipated review timeline.
- b. This is a competitive program, with applications reviewed monthly. All complete applications received will be scored and a minimum score of 50 is required for approval.
- c. Grants are dependent on the availability of funds. If more applications are eligible for funding than there are funds available, applications will be held until the next funding cycle.
- d. Applicants with one or more active "Notices of Violation" from the Kentucky Energy and Environment Cabinet Divisions of Waste, Water or Air Quality or those not in



compliance with Kentucky Agricultural Development Fund guidelines are not eligible for funding.

- e. Larger projects may be referred to the Kentucky Office of Agriculture Policy (KOAP) for other available programs.
- D. Eligible Expenses. Eligible expenses are those related to installation of water resource best management practices (BMPs) listed in Appendix B or any innovative designs for water resource management approved by the Kentucky Agricultural Development Board (KADB), generally, including:
- a. Expenses related to the construction of a facility or expansion/renovation of an existing facility;
  - b. Expenses to project-related equipment; and
  - c. Expenses for documented, third-party contracted labor associated with the project.
  - d. Specified exclusions (expenses that are NOT eligible for this program):
    - i. An applicant's own labor.
    - ii. Expenditures related to excavation, renovation, or construction of ponds.
    - iii. Improvements to personal residences, non-farm commercial property, and any other non-farm structures.
    - iv. Tractors, motorized vehicles, and other mobile equipment with an internal combustion engine (unless specifically approved by KADB).
    - v. Land purchases and/or associated fees.

For projects where construction is being done on property not owned by the applicant, the applicant must submit a written document detailing the rights, responsibilities, and future plans of the parties as it relates to the project.

E. Funding Limitations

- a. Applicants are eligible for 50% of total project cost up to \$10,000.
- b. Funds will be distributed in the form of a cost-reimbursement grant over a 1-year period, upon completion of the project and a KHC site visit.
- c. Only true financial match may be eligible as matching funds, including loans, grants (federal or state), monetary donations, etc.. Note: land is not an eligible match.
- d. Only expenditures incurred after the date the application is received by KHC are eligible for reimbursement.
- e. Reimbursement for project expenses shall not be made unless the applicant's project is approved by the KHC program review committee.
  - i. Recipients shall provide a detailed itemization and verification of all expenditures related to the project. Verification shall be made by submitting itemized receipts/invoices and either cancelled checks or copies of relevant credit card statements as proof of payment.
  - ii. Cash receipts are not eligible for reimbursement.
  - iii. Recipients shall report to KHC for five (5) years on the progress, impact and continued use of the project.