

§ xxxx.xx Agricultural Water Enhancement Program

(a) *Definitions.* In addition to the terms defined in §1466.3 of this part, the following definitions shall be applicable to this section:

(1) *Agricultural Water Enhancement Activity* is an activity to address water quality or water conservation issues as part of an approved Agricultural Water Enhancement project. This term includes resource condition assessment and modeling, water quality, water conservation or hydrological restoration plan development, management system and environmental monitoring and evaluation, restoration or enhancement projects, incentive payments for land management practices, easement purchases, conservation contracts with landowners, improved irrigation systems, conversion of irrigated lands to less water-intensive agricultural commodities or dry-land farming, off stream storage water impoundments that contribute to enhancing water quality and water quantity and offer improved protection to fishery resources, water banking and other forms of water transactions, groundwater re-charge, monitoring of project outcomes, fish passage improvements, and other conservation-related activities that the Chief determines will help to achieve the water quality or water quantity benefits identified in the Partnership Agreement on working agricultural lands.

(2) *Partner* means an entity that enters into a Partnership Agreement with NRCS to implement agricultural water enhancement activities on a regional scale. The term includes a unit of state or local government; a Federally-recognized Indian tribe; a non-governmental organization; a water district or water agency; a conservation district; an agricultural or silvicultural producer association, or other group of such producers; other persons, as determined by the Chief; and any combination of the entities above.

(3) *Partnership Agreement* means an agreement between NRCS and a Partner to implement an AWEPP project. The agreement shall specify the respective duties and responsibilities of NRCS and the partner in carrying out agricultural water enhancement activities in an area.

(5) *AWEPP Project* means the agricultural water enhancement activities as defined within the scope of the Partnership Agreement or in a contract with an individual producer

(b) *Purpose and Scope.* (1) *Purpose.* The purpose of AWEPP is to promote ground and surface water conservation and improve water quality and water quantity conditions on a watershed or regional scale through coordinated program activities on agricultural lands. AWEPP will seek to leverage Federal investment in conservation and environmental enhancement by providing assistance to partnerships of producers and other watershed stakeholders seeking to address water quality or quantity concerns. Notwithstanding any limitation in this part, NRCS will administer AWEPP in accordance with this section.

(2) *Geographic Scope.* Applications for AWEPP are accepted from the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands

(3) *Program Scope.* Funding will be awarded using a two-tiered process. A nationwide competition will be announced in the Federal Register to provide funding to

Partners to carry out AWEP projects on a regional level to benefit working agricultural land. Not less than \$60 million per year will be available to award to nationally-selected partnerships. In addition, at the Chief's discretion, each State Conservationist may implement a separate State-level component of AWEP. The state-level component may include contracts with and payments to producers to carry out agricultural water enhancement activities according to applicable requirements of this part.

(c) *Availability of Funding.* (1) AWEP funding will be available for single or multi-year projects, not to exceed 5 years. Funding for AWEP will be announced in the Federal Register through a Request for Proposals (RFP). The Chief may establish funding limits for individual awards to partners or producers.

(2) *Cost-share.* Selected applicants may receive awards of up to 75 percent of the total project cost. Applicants must provide non-Federal funding of the total project cost, including in-kind contributions.

(i) *Performance Incentives.* Targeted producers may receive graduated incentive payments to encourage targeted producer participation rates and management intensity activities in project areas that achieve cooperative conservation outcomes.

(3) *Ineligible Expenses.* Funding may not be used to cover certain costs, such as the administrative expenses of Partners involved in an AWEP Project. A detailed list of costs not allowed will be published in the RFP.

(4) *Waiver Authority.* Limitations on eligibility to receive payments as defined in §XXXX of this part (Section 1001D(b)(2)(B) of the 2008 Farm Bill) will be waived under this section for producers implementing agricultural water enhancement activities that benefit water quality or quantity in a watershed or region.

(5) *Renewing Funding.* To be eligible to apply for additional funding for an AWEP project that has previously received an AWEP award, the partner or individual must have demonstrated measurable improvements to the resource issue of concern as a result of the original award and document these results in the funding application.

(d) *Eligibility information.* (1) *Organization or individual eligibility.* To be eligible, AWEP applicants must be an individual or partner as defined in this section. This includes Partners applying directly on behalf of producers and from producers applying through a partner as part of a regional agricultural water enhancement project pursuant to a Partnership Agreement.

(2) *Project eligibility.* To be eligible, AWEP projects must include an agricultural water enhancement activity or activities and involve landowners who meet the requirements of §XXXX of this part. Further, all agricultural producers participating in an AWEP project must meet those eligibility requirements.

(e) *Application and submission information.* The AWEP RFP will contain guidance on how to apply for the funding competition. AWEP will be advertised through the Federal Register, the NRCS website, and grants.gov. Applications will be available on the NRCS website or by contacting NRCS at the address provided in the RFP. AWEP applications will consist of the following components.

(1) *All AWEP Applications.* All applications for AWEP assistance must include:

(i) *Geographical Area*. A description of the geographical area to be covered by an AWEPP project;

(ii) *Issues of Concern*. A description of the agricultural quality or water conservation issue that will be addressed by the AWEPP project;

(iii) *Objectives*. A description of the agricultural water enhancement objectives to be achieved through the AWEPP project;

(iv) *Performance Measures*. A description of the monitoring program or performance measures that will be used to gauge the effectiveness of the AWEPP project;

(2) *AWEPP Partnership Applications*. In addition to the components required for all AWEPP applications, the following criteria must be addressed in applications for AWEPP funding through partnership agreements:

(i) *Partners*. A description of the partners collaborating to achieve the project objectives and the roles, responsibilities and capabilities of each partner

(ii) *Program Resources*. A description of the program resources that are required for the partnership, including the payments NRCS is requested to make to individual producers and partners pursuant to the partnership agreement.

(iii) *Producers*. A list of the producers participating in the AWEPP Project

(f) *Application Review for Partnership Projects*. (1) Applications for AWEPP assistance through a partnership agreement will be scored based on the criteria in subparagraph (2) of this paragraph and ranked. The applications will be forwarded to the Chief for final approval. NRCS will use a stream lined selection process for efficiency. AWEPP funding will be awarded by the NRCS National Office, or their contracted designee, after selection of the awardee is made and after the awardee agrees to the terms and conditions of the Partnership Agreement.

(2) *Application scoring criteria*. Applications for assistance through Partnership Agreements will be scored based on the following criteria. Applications that meet these criteria will be given higher priority.

(i) *Producer Participation*. Partnerships that involve a higher percentage of agricultural land and producers in a region or other appropriate area;

(ii) *Agricultural Water Enhancement Activities*. Partnerships that propose a greater percentage of applied agricultural water enhancement activities compared to administrative costs and that include activities with a greater anticipated effectiveness of improving the resource issues of concern. Scoring will consider whether the improvements are temporary or long-term, are part of regional or local planning effort that seeks the same resource outcome, and whether the improvements are likely to be measurable;

(iii) *Agricultural Activity*. Partnerships that enhance agricultural activity in an area;

(iv) *Monitoring and Evaluation*. Partnerships that include monitoring and evaluation;

(v) *Regulatory Requirements*. Partnerships that assist producers in meeting a regulatory requirement that reduces the economic scope of a producer's operation;

(vi) *Consistency with a resource plan*. Partnerships that propose agricultural water enhancement activities that are consistent with an existing watershed or resource plan (e.g., an areawide plan) that is supported by the group of decision makers responsible for implementing the resource practices and solutions identified in the plan. This includes partnerships that incorporate development of such a plan in the proposed AWEPP project.

(g) *Duties of Partners.* Partnerships receiving AWEF funding must:

(1) Identify producers participating in the Partnership and act on their behalf in applying for AWEF funding.

(2) Identify and secure non-Federal funds to leverage the Federal funds invested in the Partnership

(3) Monitor the effects of the agricultural water enhancement activities carried out under the Partnership and at the conclusion of the project, report to NRCS on the outcomes of the partnership efforts

(h) *State component.* – ***guidelines for projects administered through the state conservationist***