

What are the rules of participation?

- Producers must complete the pre-approved project within 18 months of the cost-sharing agreement's effective date, unless the NRCS or local soil and water conservation district office grants an extension beyond the effective date. In that event, grant recipients must complete the project by the extended deadline.
- Producers must place the field that is the subject of the agreement in rice production within three years of the agreement's effective date. If the producer fails to do so, any payments made by LCRA to the producer, plus interest, must be refunded to LCRA no later than Aug. 31 of the year three years after the agreement's effective date.
- Proposed projects are for NRCS-approved practices only and must provide for the conservation of surface water.
- If a proposed project is related to existing contracts with the U.S. Department of Agriculture, Commodity Credit Corporation (CCC), for participation in the federal Environmental Quality Incentives Program (EQIP), then the EQIP field has not been placed in production prior to the year in which the agreement becomes effective.
- Producers who previously received funding for a conservation practice from LCRA must maintain the conservation practice for the term specified in the previous funding contract.
- Producers must have a District Cooperative Agreement with their local soil and water conservation district or an EQIP contract.

Where can I get a grant application and details on the program?

Grant applications and detailed guidelines on the process, eligibility requirements, and rules of participation are available at LCRA's local irrigation district offices. For more information, contact your local LCRA irrigation district or local soil and water conservation district.

Garwood Irrigation District

P.O. Box 404
7859 Hwy. 71
Garwood, Texas 77442
(979) 758-3017

Gulf Coast Irrigation District

P.O. Box 1500
100th Seventh Street
Bay City, Texas 77404
(979) 245-4631

Lakeside Irrigation District

209 S. McCarty
Eagle Lake, Texas 77434
(979) 234-7336

Application Guidelines

HB 1437 Agriculture Water Conservation Program

Date: March, 2006

Contents

PROGRAM GUIDELINES	1
OVERVIEW OF PROCESS	1
ACCEPTABLE PRACTICES	1
ELIGIBILITY.....	2
FUNDING AND COST SHARE RATES	2
DATES AND ADDRESSES FOR APPLICATION SUBMITTALS	3
SELECTION AND AWARD NOTIFICATION	3
PAYMENT	5
APPLICATION AND IMPLEMENTATION	5
APPLICATION GUIDELINES SUBJECT TO CHANGE	6
ATTACHMENTS.....	6

Program Guidelines

The HB1437 Agriculture Water Conservation Program (Program) is a joint effort among individual producers, local soil and water conservation districts (SWCDs), the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS), and LCRA to implement water conservation projects to conserve agriculture surface water in the lower Colorado River basin.

The Program provides grants to eligible producers to construct eligible, on-farm, water conservation practices such as irrigation land leveling, multiple inlets, and tail water recovery. Proposed projects must meet NRCS specifications in effect at the time of the application.

Producers work with local offices of the NRCS and SWCDs to identify and plan the projects. LCRA, as the administrator of the HB1437 Agriculture Water Conservation Fund, provides grant funds to help producers implement eligible water conservation projects that meet NRCS specifications.

Under this Program, producers may receive up to 30 percent of the cost of water conservation projects pre-approved by NRCS officials and local SWCDs.

OVERVIEW OF PROCESS

1. Producers submit a HB1437 Application to their local LCRA Irrigation District Office (Lakeside, Garwood, and Gulf Coast). The LCRA screens applications for eligibility.
2. LCRA, in cooperation with the local SWCD, notifies applicant of award and signs contract with applicant/producer.
3. Upon successful completion of the project, and project certification by the local NRCS office, the producer is reimbursed for up to 30 percent of the project cost based on NRCS guidelines in place at the time of contract award. The LCRA reviews completed projects annually to monitor conservation success.

For more information or to apply, contact your local LCRA Irrigation District or local SWCD office.

ACCEPTABLE PRACTICES

In general, acceptable practices are those identified as NRCS County Resource Concerns for the producer's county and provide for the conservation of surface water. Typically, these practices include irrigation land leveling, multiple inlets, and tail water recovery.

The NRCS web site (<http://www.tx.nrcs.usda.gov/programs>) identifies State Resource Concerns along with links to individual counties for County Resource Concerns, Eligible Practices, and Cost Lists.

ELIGIBILITY

Producers are eligible for consideration if they meet the following criteria:

1. Producer is a customer of one of the LCRA irrigation districts (Lakeside, Garwood, Gulf Coast) and has obtained a surface water rice irrigation contract from LCRA at least once during the past 3 years, or the field for which the application is being made has been irrigated by a LCRA rice irrigation contract at least once during the past 3 years.
2. Producer will complete the project within 18 months of the effective date of Producer's and LCRA's cost-sharing agreement (Agreement), unless an extension is granted by NRCS or the SWCD that extends beyond the date 18 months from the Agreement's effective date, in which event Producer will complete the project by the deadline provided in the NRCS or SWCD extension.
3. Producer will place the field that is the subject of this Agreement in rice production within three years of the Agreement's effective date;
4. Proposed projects are for NRCS-approved practices only and provide for the conservation of surface water.
5. If the proposed projects are related to existing contracts with the United States Department of Agriculture, Commodity Credit Corporation ("CCC"), for participation in the Environmental Quality Incentives Program (EQIP), the EQIP field must not have been placed in production prior to the year in which the Agreement becomes effective.
6. If Producer previously received funding for a conservation practice from LCRA, Producer must have maintained the conservation practice for the term specified in the previous funding agreement.
7. Producer must have a SWCD – District Cooperative Agreement or EQIP contract.

FUNDING AND COST SHARE RATES

Conservation projects for this program are funded through the HB1437 Agriculture Water Conservation Fund. Money is deposited into the fund from a conservation surcharge on water transferred from the Lower Colorado River basin to Williamson County. Surcharge funds are awarded as grants to producers to help implement these agriculture conservation projects.

The level of cost sharing in the HB1437 Application will follow NRCS guidelines for the proposed practice. Payments under the HB1437 Agriculture Water Conservation Program will be 30% of the cost for the practice based on the NRCS guidelines for the proposed practice.

DATES AND ADDRESSES FOR APPLICATION SUBMITTALS

Applications must be received at the local LCRA irrigation district office on or before 3:00 p.m. May 15, 2006 to be eligible for 2006 funds. Applications received after this time will be returned.

Applications are good only for the year submitted.

Applicant must submit a separate, single application for each field. There are no limits to the number of fields for which Producer may submit an application.

Mailing Addresses:

Lakeside Irrigation District
209 S. McCarty
Eagle Lake, Texas 77434
979-234-7336

Garwood Irrigation District
P.O. Box 404
7859 Hwy. 71
Garwood, Texas 77442
979-758-3017

Gulf Coast Irrigation District
P.O. Box 1500
100th Seventh Street
Bay City, Texas 77404
979-245-4631

SELECTION AND AWARD NOTIFICATION

Selection Priorities

LCRA will award contracts in the following order, or categories, of priority:

- **Priority 1**
 - a. Applicant has previously entered into SWCD Cooperative Agreement or EQIP contract; and
 - b. The approved practice or conservation measure has been completed and certified by NRCS or the local SWCD; and
 - c. The field has not been placed into production prior to the year in which the application is submitted; and
 - d. Applicant has a current rice irrigation water contract from LCRA for the field on which the application is made.
- **Priority 2**

- a. Applicant has previously entered a SWCD Cooperative Agreement or EQIP contract; and
 - b. The approved practice or conservation measure has been completed and certified by NRCS or the local SWCD; and
 - c. The field has not been placed into production prior to the year in which the application is submitted.
- **Priority 3**
 - a. All other Applications.

Selection Process

Within each priority category, contracts will be awarded based on a ranking of eligible applications set by random selection through a lottery to be conducted by LCRA. A separate lottery and resulting ranking of applications will be held for each LCRA irrigation district (Lakeside, Garwood, and Gulf Coast).

All awards of contracts are subject to availability of funds from the HB1437 Agriculture Water Conservation Fund. LCRA shall determine the amount of monies available each year from the HB1437 Agriculture Water Conservation Fund. Following this determination, LCRA shall allocate equal portions of the available funds to each LCRA irrigation district (Lakeside, Garwood, and Gulf Coast).

After LCRA has allocated available funds to each irrigation district, LCRA shall award contracts to eligible applications in the Priority 1 category based on the rankings that result from the random selection lottery.

Afterward, if any funds allocated to an LCRA irrigation district remain uncommitted, LCRA shall reallocate those funds to the other LCRA irrigation districts in equal portions until all eligible Priority 1 applications have been awarded contracts.

Following contract awards to all qualified Priority 1 applications, LCRA shall reallocate any remaining, uncommitted funds from the HB1437 Agriculture Water Conservation Fund to each LCRA irrigation district (Lakeside, Garwood, and Gulf Coast), again in equal portions.

LCRA then shall award contracts to Priority 2 applications based on rankings that result from the random selection lottery within each LCRA irrigation district (Lakeside, Garwood, and Gulf Coast).

Afterward, if any funds allocated to an LCRA irrigation district remain uncommitted, LCRA shall reallocate those funds to the other LCRA irrigation districts in equal portions until all eligible Priority 2 applications have been awarded contracts.

Following contract awards to all qualified Priority 1 and Priority 2 applications, LCRA shall reallocate any remaining, uncommitted funds from the HB1437 Agriculture Water

Conservation Fund to each LCRA irrigation district (Lakeside, Garwood, and Gulf Coast), again in equal portions.

LCRA then shall award contracts to Priority 3 applications based on rankings that result from the random selection lottery within each LCRA irrigation district (Lakeside, Garwood, and Gulf Coast).

Afterward, if any funds allocated to an LCRA irrigation district remain uncommitted, LCRA shall reallocate those funds to the other LCRA irrigation districts in equal portions until all eligible Priority 3 applications have been awarded contracts.

Selection Notification

LCRA will evaluate applications and notify applicant of award within 45 days of the application deadline.

PAYMENT

1. When the practices are completed and certified by NRCS, the producer must submit a HB1437 Payment Request to LCRA and attach a copy of the approved NRCS Practice Certification and Payment Application form (Form CCC-1245).
2. Payment – Payment will be based on thirty percent (30%) of the approved NRCS Practice Certification and Payment Application form (Form CCC-1245) and payment provisions of the cost sharing agreement.
3. Payment – No payments will be made for partially completed work.

APPLICATION AND IMPLEMENTATION

1. Apply by completing a HB1437 Agriculture Water Conservation Program Cost Share Application (copy attached).
2. If applicable, attach a copy of the supporting EQIP contract (form CCC-1200) or the local SWCD - District Cooperative Agreement to the HB1437 application.
3. Submit the application to the producer's local LCRA Irrigation District (Lakeside, Garwood, and Gulf Coast) office by the Application Submittal Date.
4. LCRA will review the application to determine if the proposed conservation practice is eligible for HB1437 funds and meets NRCS specifications.
5. LCRA will notify the producer and local SWCD office of the award and sign LCRA Cost Sharing Agreement (copy attached).
6. The producer begins installing the conservation practices.

7. When the practices are completed and certified by a local NRCS official, the producer submits a HB1437 Payment Request to LCRA. The producer must include in the request a copy of the approved NRCS Practice Approval and Payment Application form (Form CCC-1245).
8. LCRA reviews the payment request and authorizes payment.
9. LCRA periodically inspects the conservation practice for the service life of the practice.
10. If the conservation practice is not maintained by the producer for the service life of the contract (that is, for the term designated in the cost sharing agreement), LCRA may seek repayment from the producer under the contract and may decline future funding of conservation practices for the same producer.

APPLICATION GUIDELINES SUBJECT TO CHANGE

These Application Guidelines, including the attachments, for the HB 1437 Agriculture Water Conservation Program may be revised by the LCRA Board of Directors. Any revisions to the Application Guidelines, however, will not apply retroactively to:

1. Applications submitted prior to the application deadline for the same funding year in which the revisions are made; or,
2. Cost-sharing agreements that result from applications submitted prior to the application deadline for the same funding year in which the revisions are made.

ATTACHMENTS

1. HB1437 Cost Sharing Application
2. HB1437 Cost Sharing Agreement

**LCRA HB1437 AGRICULTURE WATER CONSERVATION PROGRAM
COST-SHARE APPLICATION**

CONTACT INFORMATION

FULL NAME: _____ DATE: _____

LAST FIRST

MAILING ADDRESS: _____

PO BOX OR RT. NUMBER CITY STATE ZIP CODE

PHONE: _____ E-MAIL: _____

FAX: _____ OTHER: _____

ELIGIBILITY

1. ARE YOU A CUSTOMER OF ONE OF THE LCRA IRRIGATION DISTRICTS?

CHECK ONE: ___ YES ___ NO

IF YES, FROM WHICH DISTRICT OFFICE?

CIRCLE ONE: LAKESIDE GARWOOD GULF COAST

FOR HOW MANY YEARS? _____

2. HAVE YOU HAD A SURFACE WATER RICE IRRIGATION CONTRACT WITH THE LCRA WITHIN THE LAST 3 YEARS OF THE DATE OF THIS APPLICATION?

CHECK ONE: ___ YES ___ NO

3. ARE YOU ABLE TO COMPLETE THE PROPOSED PROJECT WITHIN 18 MONTHS OF THE CONTRACT DATE?

CHECK ONE: ___ YES ___ NO

4. IS THE PROJECT PRESENTLY PART OF THE USDA ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)?

CHECK ONE: ___ YES ___ NO

IF YES, ATTACH A COPY OF THE CONTRACT (CCC FORM 1200).

5. IF YOU HAVE AN EXISTING EQIP CONTRACT, HAVE THE PRACTICES INCLUDED IN THE EQIP CONTRACT BEEN COMPLETED AT THIS TIME?

CHECK ONE: ___ YES ___ NO

6. IF YOU HAVE COMPLETED THE EQIP CONTRACT, HAS THE LAND ON WHICH THE CONTRACT WAS CARRIED OUT BEEN IN PRODUCTION PRIOR TO CALENDAR YEAR 2006?

CHECK ONE: ___ YES ___ NO

7. IF THE PROJECT IS NOT PRESENTLY PART OF THE EQIP PROGRAM, DO YOU HAVE A SWCD DISTRICT COOPERATIVE AGREEMENT IN THE DISTRICT WHERE THE PROJECT WILL TAKE PLACE?

CHECK ONE: ___ YES ___ NO

IF YES, ATTACH A COPY OF THE DISTRICT COOPERATIVE AGREEMENT.

8. DO YOU AGREE TO PLACE THE FIELD IN RICE PRODUCTION WITHIN 3 YEARS OF RECEIVING NOTIFICATION FROM LCRA OF APPROVAL OF FUNDING?

CHECK ONE: ___ YES ___ NO

9. HAVE YOU PREVIOUSLY RECEIVED FUNDING FROM AN LCRA FUNDED PROJECT?

CHECK ONE: ___ YES ___ NO

IF YES, WHAT WAS THE NAME OF THE PROJECT? _____

WHAT CONSERVATION PRACTICES DID YOU IMPLEMENT? _____

PROJECT PROPOSAL INFORMATION

1. WHAT IS THE NRCS TECHNICAL PRACTICE OF THE PROPOSED PROJECT?

For information on approved NRCS practices and associated costs, contact the NRCS office in the county where the project will be implemented, or view this information on the web at: <http://www.tx.nrcs.usda.gov/programs/eqip/zone3.html>

ESTIMATED ACRES TO BE TREATED? _____

ESTIMATED CUBIC YARDS OF EARTH MOVED _____

2. WHAT IS THE ESTIMATED COST OF THE PROPOSED PROJECT? _____

**LOWER COLORADO RIVER AUTHORITY
HB 1437 AGRICULTURE WATER CONSERVATION PROGRAM
COST-SHARING AGREEMENT**

1. Eligibility

- (a) Producer, by signing this Agreement, certifies that he or she controls the land (“Land”) that is the subject of the application (“Application”) through the term proposed in the Application for this cost-sharing agreement (“Agreement”). Upon demand, Producer must provide LCRA evidence (e.g., deed, lease) demonstrating that Producer will control the Land through the term of the Agreement. The Land will not be eligible if it is subject to a deed or other restriction that prohibits conservation programs on the land. By signing this agreement, Producer certifies that there are no restrictions of this type on the Land.
- (b) Producer, by signing this agreement, certifies that:
- (1) Producer is a customer of one of the LCRA irrigation districts (Lakeside, Garwood, Gulf Coast) and has obtained a surface water rice irrigation contract from LCRA at least once during the past 3 years, or the field for which the application is being made has been irrigated by a LCRA rice irrigation contract at least once during the past 3 years;
 - (2) Producer will complete the project within 18 months of the Agreement’s effective date, unless an extension is granted by NRCS or the SWCD that extends beyond the date 18 months from this Agreement’s effective date, in which event Producer will complete the project by the deadline provided in the NRCS or SWCD extension;
 - (3) Producer will place the field that is the subject of this Agreement in rice production within three years of the Agreement’s effective date;
 - (4) Proposed projects are for NRCS-approved practices only and provide for the conservation of surface water;
 - (5) If the proposed projects are related to existing contracts with the United States Department of Agriculture, Commodity Credit Corporation (“CCC”), for participation in the Environmental Quality Incentives Program (EQIP), the EQIP field has not been placed in production prior to the year in which this Agreement becomes effective.
 - (6) If Producer previously received funding for a conservation practice from LCRA, Producer has maintained the conservation practice for the term specified in the previous funding contract.

- (7) Producer must have a SWCD – District Cooperative Agreement or EQIP contract.

2. Obligations of Producer and LCRA

a. Producer agrees:

- i.** To place the Land into the LCRA Program for the for the duration of the service life (“Service Life”) that is specified in this Agreement; in the event of a conflict between the estimated Service Life provided in the Application and the Service Life specified on the signature page of this Agreement, the terms of this Agreement shall control;
- ii.** To complete the approved practice or conservation measure (“Approved Practice”), as described in the Application, within 18 months from the date this Agreement is executed by LCRA, unless an extension is granted by NRCS or the SWCD that extends beyond the date 18 months from this Agreement’s effective date, in which event Producer will complete the project by the deadline provided in the NRCS or SWCD extension;
- iii.** To discontinue work in the general area of the site of the practice or conservation measure and immediately notify LCRA in writing if an archeological or historical site is found;
- iv.** When the practices are completed and certified by NRCS of the local SWCD, to submit a HB1437 Payment Request to LCRA. The producer must include in the request a copy of the approved NRCS Practice Certification and Payment Application form (Form CCC-1245) or comparable SWCD certification.
- v.** To maintain documents regarding design for the Approved Practice and receipts or other proof of payments for the Approved Practice for three (3) years after the end of the fiscal year in which the Approved Practice was completed, and to present this documentation to LCRA within thirty (30) days of request by LCRA; Producer shall make available to LCRA field production records within thirty (30) days of request by LCRA;
- vi.** to place the field that is the subject of this Agreement in rice production within three years of the Agreement’s effective date; or, if Producer fails to do so, to refund any payments made by LCRA to Producer, plus interest as provided in this Agreement for refunds, not later than August 31 of the year three years after the Agreement’s effective date;

Agreement is executed by LCRA, or, if applicable, any subsequent deadline established by an extension awarded by NRCS or SWCD;

- ii.** Producer is landlord of Land that is operated by a tenant, and Producer requires its tenant to bear costs for the Approved Practice but does not allow its tenant to participate in the benefits of this Agreement; or,
- iii.** The Approved Practice, as described in the Application, would cause adverse impacts to significant cultural and/or environmental resources discovered prior to or in the course of installation.

- b.** Producer and LCRA otherwise may modify this Agreement in writing executed by both parties.

4. Refunding of Payments in Certain Events

- a.** If Producer fails to place the field that is the subject of this Agreement in rice production within three years of the Agreement's effective date, or if Producer fails to maintain the Approved Practice for the Service Life provided in this Agreement, Producer must refund to LCRA all or any part of the payments made under this Agreement, as determined by LCRA, with interest and other costs as provided in this Agreement and no further payments shall be made.
- b.** If Producer is landlord of Land that is operated by a tenant, and Producer requires its tenant to bear costs for the Approved Practice, Producer must allow its tenant to recover its costs (up to the limits of this Agreement) from the benefits provided by this Agreement. If LCRA determines that Producer has failed to do so after payments have been made under this Agreement, all or any part of the payments made under this Agreement, as determined by LCRA, must be refunded by Producer with interest and other costs as provided in this Agreement and no further payments shall be made.
- c.** Interest for any refunds owed by Participant to LCRA in accordance with the terms of this Agreement shall be calculated from the date the funds were originally disbursed by LCRA and at the same rate of interest that was obtained by LCRA for its issuance of bonds that was closest in time prior to the refund.
- d.** In the event Producer owes refunds to LCRA according to this Agreement, and LCRA incurs costs such as litigation costs or attorney fees in recovering those refunds, Producer shall be obligated to pay LCRA for its costs of enforcing this Agreement and recovering the refunds.

- e. LCRA's rights to seek refunds, including interest and other costs as provided in this Agreement, from Producer in accordance with the terms of this Agreement shall survive any termination of this Agreement.

5. Effective Date

This Agreement is effective on the date it is signed by the latter, to sign, of Producer and an authorized representative of LCRA.

6. Miscellaneous

- a. Any notices provided under this Agreement shall be provided to the address provided below the signature block for the respective parties.
- b. Neither party may assign this Agreement without the prior written approval of the other party.
- c. Each of the undersigned parties, by signing this Agreement, represents and warrants to the other party that he or she has authority to sign for and bind to this Agreement the party that he or she purports to represent. In the event Producer is a partnership, this Agreement must be signed by a general partner; in the event Producer is a corporate entity, this Agreement must be signed by an authorized representative.
- d. The following defined terms shall have the following meanings:
 - i. "NRCS" shall mean the Natural Resources Conservation Service of the United States Department of Agriculture;
 - ii. "EQIP" shall mean the Environmental Quality Incentives Program of the NRCS;
 - iii. "SWCD" shall mean the Soil and Water Conservation District within the Producer's county; and,
 - iv. "Approved Practice" shall mean Producer's proposed practice or measure for the conservation of surface water that is approved by the NRCS pursuant to the EQIP contract or SWCD – District Cooperative Agreement.

[remainder of this page intentionally left blank]

7. Service Life. The Service Life for the Approved Practice is _____ years from the year in which the Approved Practice is completed.

This Agreement is signed by the parties below to be effective in accordance with the terms of this Agreement.

LOWER COLORADO RIVER AUTHORITY

By: _____ Date: _____

Kyle Jensen
Manager, River Operations
P.O. Box 220, mail stop H 300
Austin, TX 78767-0220

PRODUCER

By: _____ Date: _____

Name: _____

Title: _____

Address: _____

