

10 Minute Supervisor Trainings



December 2021

Contingency Funds

Each program year, the Soil and Water Conservation Commission receives funding from the Tobacco Master Settlement Agreement that are used for the Soil Erosion and Water Quality Cost Share Program in the state of Kentucky. Ten percent of this money is required to be held back for the fiscal year from the state cost share program in case of emergency actions that need to be corrected.

When are contingency funds used?

Contingency funds are available for use when a Notice of Violation (NOV) or a Letter of Warning (LOW) has been issued to a producer in the state of Kentucky from the Division of Water. Each of these types of notices are used when a producer has committed an act in their operation that is detrimental to the environment. These may be things that include, but are not limited to:

- overflow of a lagoon structure
- feeding too close to a waterway
- intentionally dumping fluids or solids from the operation into the waterway
- poultry litter spreading within stream setbacks

Process of attaining contingency funding as a producer:

The first step in attaining these funds is for the producer to make contact with their local conservation district. They should always provide the NOV or LOW to the district in order to be considered for funding. The technical staff should set up a site visit to see the operation and the nature of the problem. If the problem can be corrected, the technical staff should bring that information to the board of supervisors for approval to request funds. If the board approves the plan of action, they should then submit a request to the Division of Conservation for the funding.

How much funding is available through contingency funds for producers?

Contingency funding follows the same guidelines for funding as the Kentucky Soil Erosion and Water Quality Cost Share Program. Each producer is eligible for 75% of the cost of the practice, not to exceed \$20,000 in a program year. When the practice is completed to correct the problem noted in the NOV or LOW, the district can request the funds to pay the producer, assuming they followed all technical standards and guidelines set forth.

What are examples of corrective actions that can use contingency funding?

Corrective actions may include things such as:

- lagoon pumping to stop overflow
- use of dozers and other equipment to construct larger holding facilities for manure
- ground and stream cleanup
- spreading of poultry litter or construction of facilities
- grade leveling
- development of Nutrient Management Plans

Important:

Contingency funding is to only be used in situations where there is an “environmental emergency” that must be quickly corrected as to halt the destruction of the environment. This process should be expedited to ensure it is done in the fastest manner possible. It should be the goal of a conservation district to have corrective actions being undertaken in less than 2 months of the NOV or LOW issuance.

AWQP:

In every case where contingency are being requested, it is necessary for the conservation district to also assist the producer in developing or updating an Ag Water Quality Plan. The Division of Water requires this action be taken as part of the solution to the problem. This will also help all parties involved to see what the scope of the operation is and what other planning and implementing may be necessary to correct all violations and even future violations that might occur.