(2) METHOD OF ALLOCATION. Animal waste grant funds shall be allocated to counties on an annual, or other periodic basis. Before making a periodic allocation of funds, the department shall solicit funding applications from all counties qualified under sub. (1). Funding applications shall be submitted on forms provided by the department, on or before the deadline date established by the department. Each funding application shall identify, by reference to the county animal waste water-pollution control plan, the projects proposed for funding within the county, and the relative priority of the proposed projects.

(b) For each periodic allocation of funds, the department shall prepare an allocation plan based on a review of funding applications submitted by the counties. Before allocating any funds under the plan, the department shall submit the proposed plan for review and recommendations by the land conservation board. The allocation plan shall identify:

1. The total amount of funds to be allocated to counties under the plan.

2. Each county to which funds are to be allocated.

3. The amount to be allocated to each county. A copy of the proposed funding contract with each county shall be included with the allocation plan.

4. The basis for the proposed allocation of funds among counties, based on the allocation criteria under sub. (3).

(3) ALLOCATION OF FUNDS AMONG COUNTIES; CRITERIA. In its allocation of funds among counties, the department shall consider:

(a) The number of animal feeding operations within each county which are in need of measures to correct or prevent animal waste water-pollution problems.

(b) The relative severity of animal waste water-pollution problems caused by the animal feeding operations.

(c) Other criteria set forth under s. Ag 165.02 (2) (d).

(4) FUNDING CONTRACTS. No funds may be allocated or released to a county under this section except under a written contract between the department and the county. The contract shall set forth:

(a) A description of each project within the county for which funds are allocated, including an estimate of total project costs.

(b) The maximum amount or cost-share percentage to be paid to the owner or operator for each project, as determined by the county under s. Ag 165.06.

(c) The respective responsibilities of the department and the county for implementing the contract. The county agency which is responsible for implementing the project on behalf of the county shall be identified.

(d) Deadlines for implementing the contract.

(e) Other terms and conditions under which the funds are allocated to the county.

Ag 165.05 Direct grants by department. (1) Pursuant to s. 92.15 (3m), Stats., the department may make cost-share grants directly to owners or operators of animal feeding operations who have received a notice of discharge or who are required to apply for a Wisconsin pollutant discharge elimination system permit under ch. 147, Stats. The department may make direct cost-share grants under this section whether or not the county in which the animal feeding operation is located has an approved animal waste water-pollution control plan under s. Ag 165.02 or an approved ordinance under s. Ag 165.03. Direct grants under this section are subject to the provisions of ss. Ag 165.06, 165.07, 165.08 (3) (c) and 165.09. For purposes of a direct grant under this section, the department shall assume the responsibilities of a county under ss. Ag 165.06, 165.07, 165.08 (1) (d) and (f), 165.08 (3) (c), and 165.09.

(2) The department may enter into an agreement with a county under which the county assumes certain responsibilities of the department under this section. Responsibilities assumed by a county on behalf of the department may include:

(a) Preparation of agreements with owners and operators of animal feeding operations, as provided under s. Ag 165.07.

(b) Certification, under s. Ag 165.05 (1) (f) and (3) (c) 4, that waste storage and treatment facilities and runoff control structures meet the requirements of this chapter.

(c) Establishment and maintenance of an accounting and record keeping system, as provided under ss. Ag 165.08 (3) (c) and 165.09.

History: Cr. Register, September, 1984, No. 345, eff. 10-1-84.

Ag 165.06 Purposes for which funds may be allocated; conditions and limitations. (1) GENERAL. Funds allocated by the department to counties under s. Ag 165.04 shall be used by the counties to finance cost-share grants to individual owners and operators of animal feeding operations. Individual cost-share grants shall be used for the construction or repair of animal waste treatment or storage facilites or permanent runoff control structures needed to meet water quality objectives. Cost-share grants may be applied to engineering design costs or construction costs, or both, to the extent permitted under this section. Individual cost-share grants shall be made under an agreement with the owner or operator, as provided in s. Ag 165.07. Payments may be made only upon certification, by a qualified technician, that the facility or structure has been completed in compliance with the agreement and this chapter.

(2) COST-SHARE GRANTS; GENERAL REQUIREMENTS AND LIMITATIONS. (a) *Cost-effectiveness; availability of alternatives.* Cost-share grant amounts to individual owners and operators of animal feeding operations shall be based on the cost of projects which will have predictable water quality benefits, and which are cost-effective for that purpose in comparison to other measures available to the owner or operator. A determination as to the cost-effectiveness of a proposed project shall be made by the county. In determining the cost-effectiveness of a proposed project, the county shall consider the predicted water quality benefits of the project, the cost of the project amortized over its expected useful life, and the practical effects of the project on the animal feeding operation. Cost-share grants may not be used to finance the design or construction of animal waste treatment or storage facilities if, in the absence of the