

National Bulletin: 300-12-

Subject: LTP – National Water Quality Initiative (EQIP) – Fiscal Year (FY) 2012

Action Required By: Tuesday, April 24, 2012, and Friday, April 27, 2012

Purpose. To provide State Conservationists (STCs) and the Directors, Caribbean and Pacific Islands Areas, with guidance for administering the FY 2012 National Water Quality Initiative (NWQI) funded through the Environmental Quality Incentives Program (EQIP).

Expiration Date. September 30, 2012

Background. The National Water Quality Initiative (NWQI) will assist producers to address high-priority water resource concerns in small watersheds with streams or water bodies in one or more of the following categories (targeted waters):

1. Impaired – a stream or water body documented to be impaired, and identified on a state's 303(d) list of impaired waters as designated by the US Environmental Protection Agency (EQP);
2. Threatened – a stream or water body with water quality data documenting an impairment, but does not have a TMDL Implementation Plan and is not listed on the 303(d) list of impaired waters as designated by the US Environmental Protection Agency (EQP),
3. Total Maximum Daily Loads – a stream or water body that has been on EPA's 303(d) list of impaired waters, but may have been removed because there is a having a TMDL plan for implementation, or
4. Critical – a stream or water body upstream of an impaired segment or are, and is known to be a contributing source of the downstream impairment for a stream in one or more of the three categories above.

Explanation. Per the FY 2012 Allocation Letter issued on December 16, 2011, State Conservationists (STC) reserved 5 percent of their EQIP financial assistance (FA) funding to address this new national program initiative. The reserved 5 percent represents a national commitment of approximately \$33 million in FA available to help producers who voluntarily participate in the initiative. EQIP funding will be used to accelerate efforts to improve water quality in at least one, but not more than three, 12-digit watersheds with targeted waters.

To ensure correct and timely implementation of the FY 2012 National Water Quality Initiative, STCs and directors will use the following general guidance:

- National Water Quality Initiative accounts will be created in ProTracts for this initiative. Conformance to this standardization will facilitate efficient fund management, performance assessment, reports to partner agencies, and public transparency.
- Field offices will accept applications on a continuous basis. All eligible applications must be entered in ProTracts and if the required screening criteria indicates need for ranking, a score will be documented in the Application, Evaluation and Ranking Tool (AERT). Low priority applications will not be ranked.

DIST: R, S, L, and National Center Directors

- There will be two nationally established application and ranking periods. This standard application process will avoid potential confusion created regarding differing application periods from State to State.
- Fund management will require States to return unused NWQI EQIP FA funds, below the 5 percent required level, to National Headquarters (NHQ) to ensure the \$33 million is available to target producer applications located in approved watersheds. All NWQI funds must be obligated to contracts by **July 2, 2012**. These funds may not be used to supplant, or replace, any existing initiative funds.

Explanation. In order to support the FY 2012 National Water Quality Initiative, State Conservationists, must complete the following:

1. **Selection of NWQI Watersheds.** — Following guidance in attachment A, State Conservationists must evaluate and select appropriate 12-digit HUC watersheds to offer and implement the NWQI during FY 2012 no later than COB Tuesday, April 24, 2012. States must follow the guidance in attachment A to complete the following:
 - A. Identify watersheds with targeted water to be supported through the EQIP Water Quality Initiative and return of the required watershed selection form with requested information provided in attachment A.
 - B. Return the attachment A request form for approval of any additional supporting practices the State needs to support NWQI projects during FY 2012. Requested practices will be reviewed and approved prior to release of the ProTracts ranking tool.
 - C. Return the watershed selection and practice justification request form (attachment A) no later than COB April 24, 2012, by email to Steve Jacks, Regional Conservationist's Office, at Steve.Jacks@ar.usda.gov.
2. **Application, Evaluation, and Ranking Tool.**—States must develop the ranking evaluation criteria in the ProTracts Application Evaluation, and Ranking Tool (AERT) and other actions as follows no later than COB Friday, April 27, 2012.
 - A. **ProTracts Subaccounts:** States must establish an iteratively named and separate subaccount in ProTracts for each watershed approved for the National Water Quality Initiative and assign the account type of "National Water Quality Initiative." A separate subaccount must also be established for managing NWQI funded Conservation Activity Plan (CAP) applications along with the "National Water Quality Initiative" account type.
 - B. **National Water Quality Initiative Subaccount Resource Concerns:** States must assign the resource concerns to the National Water Quality Initiative subaccount as shown in attachment B. For planning purposes, States should emphasize the primary resource concerns targeted by the initiative.
 - C. **National Approved Land Uses:** States must designate the approved land uses as eligible for the National Water Quality Initiative subaccount as indicated in attachment B.
 - D. **Approved Core and Supporting Practices:** States must offer all the core conservation practices and Conservation Activity Plans (CAPs) listed in attachment C. If a State does not have a need to offer one of the required core practices (e.g., the practice is not needed to address a water quality resource concern), the STC may request a waiver from the Deputy Chief for Programs, with concurrence from the Regional Conservationists. States are encouraged, but not required, to offer all supporting practices listed in attachment C. States may not add any additional core practice other than what is listed in attachment C. The ProTracts application type of "planning" must be associated with each CAP application and ranking of these applications is not allowed during FY 2012.

States are responsible for association of core and offered supporting practices with the approved resource concerns into ProTracts AERT, as indicated in attachment C. States may request approval from the Deputy Chief for Programs, with concurrence from the Regional Conservationists, to offer additional supporting practices not listed in attachment C using the request form in attachment A mentioned previously.

States are also responsible for using a "systems approach" in conservation planning which incorporates selection of practices which address the concepts of "Avoiding, Controlling, or Trapping" pollutants, known as "ACT". This ACT systems approach is explained in attachment C, along with designations showing which practices which address aspects of ACT.

- E. **Screening Criteria:** States must utilize the national screening criteria as provided in attachment D to support NWQI to manage workload associated with application evaluation and ranking. Use of this screening worksheet is required and all eligible applications must have an assigned priority of "High," "Medium," or "Low" recorded in ProTracts.
- F. **State Ranking Criteria:** State ranking criteria to support the National Water Quality Initiative has been established as shown in attachment E. States are responsible for populating the ProTracts AERT with the State ranking criteria in attachment E. States may not modify the approved NWQI State category ranking criteria.
- G. **Local Ranking Criteria:** States must develop and populate local ranking criteria. Refer to attachment E for examples of local ranking criteria to support the NWQI.

Note: NWQI is subject to the requirements in Title 440, Conservation Programs Manual (CPM), Part 512, Subpart C, as well as the fund management policy cited in National Bulletin (NB)-300-11-31 issued August 11, 2011 (expires September 30, 2012) regarding application evaluation, assignment of points, and multipliers.

- H. **Payment Schedules:** There is no intent to develop new practice payment schedules or scenarios for support of the FY 2012 NWQI. States must follow guidance in NB-300-11-32 (September 13, 2011) and NB-300-12-16 (December 13, 2012) to support NWQI EQIP payments and utilize their currently approved EQIP payment schedule uploaded to ProTracts. However, if a State did not include any NWQI required core practice or any needed supporting practices not included in the current EQIP payment schedule, the State may add the practice and scenarios that are available in the regionalized payment schedule to support the initiative.
3. **Application Periods:** NHQ will issue an announcement that the FY 2012 Water Quality Initiative is available in all States. The following ranking periods are required by all States for the FY 2012 NWQI:
- A. **Application Period 1:** From program announcement to Friday, **May 18, 2012**. All eligible "High" priority applications received by the deadline of **May 18, 2012** will be ranked and be preapproved for funding.
 - B. **Application Period 2:** From Monday, **May 21, 2012** to Friday, **June 15, 2012**. All eligible "High" or "Medium" priority applications received by the deadline of June 15, 2012, including any unfunded "High" priority applications from the first application period, will be ranked and be preapproved for funding.

Note: Low priority applications will not be ranked.

Public Affairs: Any state or local announcements in the media about NWQI may not be made until after the national level announcement, either from the Department or by the Chief. It is anticipated the national level announcement may occur after the state watersheds are selected.

Fund Management: Once States have established their ProTracts subaccount and AERT, States must allocate the entire reserved 5 percent FA to these subaccounts. At the end of the last ranking period, any unused funds below the original reserved 5-percent level must be returned by allowance change to NHQ no later than **June 20, 2012**, to address other NWQI priorities. State Conservationists may add additional EQIP FA above the original 5 percent to support NWQI established subaccounts, but may not reduce the initial reserved amount of 5 percent. These funds will be used to support new proposed projects. National Water Quality Initiative funds are not to be used to supplant, or replace, any existing initiative funds.

Obligation Deadline: All NWQI Initiative program contracts must be obligated by **July 2, 2012**. If the allocated EQIP funds are not obligated by this date, STCs must return the unused funds to NHQ by submitting an allowance change request. Return of funds or request for additional funds should be done in accordance with 440-CPM, Part 512, Subpart I, Section 512.84, "Fund Allocation Changes."

NWQI Outcomes: Attachment F provides introduction to tools and reports to be used during FY 2012 to document performance and outcomes resulting from the initiative. Additional guidance will be provided at a later date to provide details, training, and support for these required actions.

Contact. If you have any questions about NWQI, contact Jimmy Bramblett, Regional Conservationists – Chief of Staff, at (202) 690-2196 or jimmy.bramblett@wdc.usda.gov. If you have any questions about EQIP program rules, contact Mark Rose, EQIP Team Leader, Financial Assistance Programs Division, at (202) 690-2621 or mark.rose@wdc.usda.gov.



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- Attachment A – Guidance for State selection of Watersheds
- Attachment B - Approved Land Uses and Resource Concerns to Support the Water Quality Initiative
- Attachment C – NRCS Core and Supporting Practices to Support the Water Quality Initiative
- Attachment D – Required Water Quality Initiative Screening Criteria Worksheet
- Attachment E – Required Water Quality Initiative State Ranking Questions and Example Local Questions
- Attachment F – National Water Quality Initiative Outcomes