NB 300-21-29 LTP – National Water Quality Initiative (NWQI) Watershed and Source Water Protection Area Selection and Criteria for Planning and Implementation Phases of NWQI – Fiscal Year (FY) 2022

National Bulletin:	300-21-29 **Date:** May 6, 2021
Subject:	LTP – National Water Quality Initiative (NWQI) Watershed and Source Water Protection Area Selection and Criteria for Planning and Implementation Phases of NWQI – Fiscal Year (FY) 2022

Action Required By: July 9, 2021

Purpose. To provide State conservationists (STCs) and directors of the Caribbean and Pacific Island Areas with requirements for NWQI participation, information about NWQI funding allocations, guidance and criteria for selecting new NWQI watersheds, submitting justification to withdraw existing NWQI watersheds, and proposing new source water protection areas (SWPAs) for FY 2022.

Expiration Date. September 30, 2021

Background. NWQI was established in FY 2012 as an initiative delivered jointly with State water quality agencies and the Environmental Protection Agency (EPA) to address agricultural sources of water pollution, specifically nutrients, sediment, and pathogens in priority watersheds throughout the country. In FY 2017, NWQI piloted a "readiness" phase where States could include watersheds in NWQI and receive technical assistance for conservation planning, outreach, and coordination with partners prior to receiving financial assistance. This is now the "planning" phase. In FY 2019, NWQI was expanded to include source water protection for ground and surface waters that may not face water pollution challenges that would otherwise make them eligible for NWQI. Each year, STCs consult with State water quality agencies and partners, including drinking water providers, to evaluate the status of NWQI watersheds and SWPAs and propose to add or withdraw them based on NWQI criteria, State priorities, and NRCS leadership approval. **All States are required to participate in NWQI with a minimum of three watersheds (HUC12) to address impaired or threatened surface waters.**

Each NWQI watershed or SWPA must:

1) Have a multi-year implementation plan documenting projected activity and funding needs for the proposed project time frame. Defining multi-year projects with implementation timelines is valuable because it demonstrates continued commitment to NWQI priorities and invites greater support and assistance from partners.
2) Have a watershed/SWPA plan or assessment that informs the project implementation needs. If watersheds/SWPAs are identified as a priority but there is not an assessment(s) or plan (s) that meets NRCS guidance, they may be proposed as planning watersheds/SWPAs.

Explanation. This bulletin provides criteria and action items to—

- Request new watersheds for the FY 2022 planning and implementation phases of NWQI.
- Request to withdraw current NWQI watersheds.
- Request new SWPAs for both ground and surface public water supplies for planning or implementation phase.

Participation Level

- All States and Areas are required to participate in NWQI, with a minimum of three watersheds (HUC12) that address impaired or threatened surface waters. SWPAs would be in addition to these three watersheds. States with no current NWQI watersheds may need to invest in planning through the planning phase in order to support implementation activities. Planning watersheds count towards required participation level.
- There is no limit on the number of NWQI watersheds in a State. This will allow STCs flexibility to work with partners in selection of watersheds, understanding that States differ in watershed size, complexity, and pollutants of concern. However, effective implementation of NWQI (i.e. targeted accelerated funding) is expected in NWQI watersheds. Removal of watersheds with low levels of activity could be initiated by annual National Headquarters (NHQ) review.

Funding

- NWQI allocations will be based on the funding need documented in the implementation plans for each State's three smallest (by dollar value) NWQI projects, and STCs will use this to inform the FY 2022 State resource assessment. NWQI financial assistance (FA) not obligated within NWQI will be returned to NHQ for redistribution, along with the associated technical assistance

returned to NHQ for redistribution, along with the associated technical assistance.

- STCs may use EQIP General to support activities outlined in existing NWQI implementation plans where the NWQI allocation is insufficient. In this case, reallocate the funds as needed so they are associated with the "National Water Quality" account type and use the NWQI Ranking Templates and Guidance.

Requesting Changes to Watersheds and/or SWPAs

- Planning Phase - planning phase allows for watersheds and SWPAs to be included in NWQI and prepare for the implementation phase. STCs may receive support from NHQ including GIS resources, assessment guidance, and targeting tools that can assist in development of critical source area maps that are required for the implementation phase.
    - Conservation Technical Assistance (CTA) funding may be provided for activities in the planning phase. STCs may request CTA allocations through the FY 2022 State resource assessment and will be limited to $50,000 per watershed or SWPA assessment, with a maximum of $150,000 per State.
    - This maximum is a combined total for NWQI and Mississippi River Basin Healthy Watersheds Initiative (MRBI) planning projects.
- Implementation Phase - implementation watersheds and SWPAs are those ready to receive financial assistance for implementation. The implementation phase requires completed NRCS watershed/areawide assessments with maps identifying critical source areas and outreach strategies for all watersheds or SWPAs proposed for inclusion.

STCs may request inclusion of SWPAs in NWQI for either ground or surface public drinking water supplies for planning or implementation phase.

- STCs should propose SWPAs based on delineations provided or supported by drinking water partners.
- Proposed SWPAs for NWQI may be located within the high priority areas for source water as provided for in national instruction NI 440-313.

STCs can propose to withdraw watersheds and SWPAs from NWQI if treatment goals have been achieved or if factors such as lack of producer engagement indicate treatment goals will not be reached.

The table below describes the NWQI options and required actions for FY 2022:

NWQI Guidance For:	Determination Needed	Response	Action Needed
Requesting new watersheds	Is there an assessment or plan that meets guidance in attachment A?	YES	Confirm that watershed meets eligibility criteria (attachment C). If so, complete an implementation plan (*NWQI FY2022 Actions Needed* spreadsheet) and checklist (attachment D).
		NO	Not eligible for implementation phase. If you want to submit watershed into planning phase, confirm that watershed meets eligibility criteria (attachment C) and complete planning proposal (*NWQI FY2022 Actions Needed* spreadsheet).
Requesting new SWPAs	Is there an assessment or plan that meets guidance in attachment B?	YES	Confirm that watershed meets eligibility criteria (attachment C). If so, complete an implementation plan (*NWQI FY2022 Actions Needed* spreadsheet) and checklist (attachment E).
		NO	Not eligible for implementation phase. If you want to submit protection area into planning phase, complete planning proposal (*NWQI FY2022 Actions Needed* spreadsheet).
Request withdrawal of watersheds or SWPAs	Must provide evidence of meeting treatment goals, or evidence of low producer participation		Complete withdrawal request (*NWQI FY2022 Actions Needed* spreadsheet) with justifications and include State water quality agency concurrence.[1]

[1] Any NWQI watersheds that are proposed for withdrawal, with concurrence from the State water quality agency, and have instream monitoring can request to retain the NWQI designation and be placed into a "NWQI Monitoring Watershed" category. These watersheds will not receive NWQI FA.

All required actions as indicated on the table above will be completed using the "NWQI FY2022 Actions Needed" spreadsheet. This spreadsheet can be downloaded from the "FY 2022 NWQI" folder in the NWQI SharePoint. The direct link to that folder is:

https://usdagcc.sharepoint.com/sites/nrcs_orc/nwqi/Shared%20Documents/Forms/AllItems.aspx?csf=1&web=1&e=qXdvUe&cid=db80d7e6%2D30c3%2D4e17%2D9137%2D6b9ac2679617&RootFolder=%2Fsites%2Fnrcs%5Forc%2Fnwqi%2FShared%20Documents%2FFY%202022%20NWQI&FolderCTID=0x01200086B9D3DFBCCB38459286A4336144E09E

For watersheds or SWPAs proposed for implementation, also complete the Watershed Assessment Checklist (Attachment D) or Source Water Assessment Checklist (Attachment E). Submit the spreadsheet and checklist (if applicable) to the NWQI coordinator by July 9, 2021. The NWQI coordinator position is currently vacant but will be filled and contact information will be available on the contact page for the Areawide Planning Branch:

https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/contact/conservation/programs/?cid=stelprdb1044190#apb

Contact. If you have questions or need additional information, please contact Martin Lowenfish, Areawide Planning Branch Chief at martin.lowenfish@usda.gov.

/s/

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Deputy Chief for Programs

Attachment A – NWQI/MRBI Watershed Assessment Guidance

Attachment B – NWQI Source Water Assessment Guidance

Attachment C – NWQI New Watershed and Source Water Protection Area Selection Criteria

Attachment D – Watershed Assessment Checklist

Attachment E – Source Water Protection Assessment Checklist