



National Bulletin: 300-23-33

Date: May 31, 2023

Subject: LTP – National Water Quality Initiative (NWQI) Watershed and Source Water Protection Area (SWPA) Selection and Criteria for Planning and Implementation Phases of NWQI – Fiscal Year (FY) 2024

Action Required By: July 28, 2023

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 NWQI Source Water Protection Areas (SWPAs) for FY 2024.

Expiration Date. September 30, 2023

Background. NWQI was established in FY 2012 as an initiative delivered jointly with State water quality agencies (SWQAs) 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 before 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. USDA had previously committed to delivery of NWQI through FY 2023. In consultation with EPA, NRCS has made the determination to continue implementation of NWQI.

Each year, STCs consult with SWQAs 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. Implementation timelines for multi-year projects are valuable because they demonstrate continued commitment to NWQI priorities and invite greater support and assistance from partners. Implementation plans for multiple contiguous watersheds may be combined into a single document.
- 2) Have a watershed/SWPA plan or assessment that meets NRCS guidance, which informs 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. Existing watershed-based plans (e.g., EPA Clean Water Act Section 319) may be used as a foundation to the watershed assessment required for a NWQI implementation watershed (see Attachment A).

Explanation. This bulletin provides criteria and action items to—

- Request new watersheds for the FY 2024 planning and implementation phases of NWQI.
- Request new NWQI SWPAs for either ground or surface public water supplies for planning or implementation phase.
- Request to withdraw current NWQI watersheds or SWPAs.
- Update implementation plans for watersheds that will continue in FYs 2024 to 2028.

Participation Level

- All States and Areas are required to participate in NWQI, with a minimum of three planning and /or implementation watersheds (HUC12) that address impaired or threatened surface waters. Implementation and/or planning SWPAs can be included in these three watersheds. States with

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no current NWQI watersheds may need to utilize the planning phase to develop the components needed for implementation phase activities. Planning watersheds count towards required participation level.

- There is no limit on the number of NWQI watersheds in a State. This provides 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.
- STCs should ensure that equity is incorporated in NWQI planning and delivery by leveraging local partnerships including community locally led revitalization or renewal efforts. NRCS should advance inclusive approaches that build the capacity of all communities, particularly underserved communities, to access water quality benefits.

Funding

- NWQI allocations will be based on the funding need documented in the implementation plans for each State's NWQI projects. In prior years state allocations were limited to the amount needed for the three smallest projects in that state.
- 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.
- STCs may also use Inflation Reduction Act (IRA) EQIP to support NWQI implementation plans where those plans include activities consistent with the guidance for IRA funding.

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 2024 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 conservation goals have been achieved or if factors such as lack of producer engagement indicate conservation goals will not be reached.

Existing Implementation watersheds

Using the NWQI Data Call spreadsheet, STCs will evaluate all existing NWQI implementation watersheds to:

- affirm that they wish to continue with implementation,
- document progress made in addressing the conservation needs identified in the watershed assessment, and
- update implementation plans to provide projected activities and financial assistance needs by year for FY 2024 – 2028

Watershed Assessment Template

“Attachment F – NWQI_MRBI Watershed Assessment Template” has been added to assist NRCS staff and partners develop new watershed assessments. STCs can choose to use the template to prepare a watershed assessment but are still encouraged to leverage and supplement existing watershed-based plans to meet the requirements for NWQI/SWPA assessments.

NWQI Map Viewer

The link below provides an interactive map of the FY 2023 NWQI implementation and planning watersheds as a reference tool for STCs to view current watersheds that are on the national layer for NWQI:

<https://gis-states.sc.egov.usda.gov/portal/apps/webappviewer/index.html?id=6396b644a29c4addbe6bd3bb66363f67>

The table below describes the NWQI options and required actions for FY 2024:

NWQI Guidance For:	Determination Needed	Response	Action Needed
Existing Implementation Watersheds	Is the current assessment still valid and do identified conservation objectives still need to be addressed?	YES	Complete both tabs on the “NWQI Data Call” spreadsheet (NWQI Budget Data Call and NWQI-Progress Report)
		NO	If the watershed assessment is no longer valid but water quality concerns remain, STCs may request to return the watershed to the planning phase. If the watershed meets water quality goals, or there is evidence of low producer participation, follow the process for a withdraw.
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 (<i>NWQI FY2024 Actions Needed</i> 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 (<i>NWQI FY2024 Actions Needed</i> 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 (<i>NWQI FY2024 Actions Needed</i> spreadsheet) and checklist (attachment E).
		NO	Not eligible for implementation phase. If you want to submit protection area into planning phase, complete planning proposal (<i>NWQI FY2024 Actions Needed</i> spreadsheet).
Request withdrawal of watersheds or SWPAs	Must provide evidence of meeting treatment goals, or evidence of low producer participation		Complete withdrawal request (<i>NWQI FY2024 Actions Needed</i> 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.

The link below contains the “NWQI FY2024 Actions Needed”, and “NWQI Data Call” spreadsheets required to complete the actions as indicated in the table above. These spreadsheets can be downloaded from the “FY 2024” folder in the NWQI SharePoint. Also included in the folder is a Word Document version of “Attachment F - NWQI_MRBI Watershed Assessment Template”

https://usdagcc.sharepoint.com/:f:/s/nrcs_programs/Eg_M7ugs7CpCmx9CAWhfVfQBr6e7kmpS0hcAOV3dF9iFtg?e=5yzskt

For watersheds or SWPAs proposed for implementation, also complete the Watershed Assessment Checklist (Attachment D) or Source Water Assessment Checklist (Attachment E). Submit the checklist (if applicable) by July 28, 2023. The NWQI coordinator for the Areawide Planning Branch is John Bullough. Contact information is available below:

Contact. If you have questions or need additional information, please contact John Bullough, Natural Resource Specialist at john.bullough@usda.gov.

/s/

Karen Woodrich
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
Attachment F – NWQI_MRBI Watershed Assessment Template