# Exhibit I - National Water Quality Initiative

**Initiative Name and Acronym:** National Water Quality Initiative (NWQI).

**Initiative Description:** The purpose of NWQI is to work with producers and landowners to implement voluntary conservation practices that improve water quality in high-priority watersheds while maintaining agricultural productivity. NWQI is designed to help individual agricultural producers take actions to reduce the runoff of sediment, nutrients, and pathogens into waterways where water quality is a critical concern. The goal is to implement conservation practices in focused watersheds in a concentrated area so that agriculture no longer contributes to the impairment of water bodies within these priority watersheds.

A list of approved NWQI watersheds can be found on the NRCS website under Programs / Financial Assistance / Environmental Incentives Program / National Water Quality Initiative or by following the link: 32TUhttp://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/eqip/?cid=stelprdb1047761U32T

**Process for Establishing Goals and Metrics in NWQI Watersheds**

All NWQI watersheds must have goals in place, including at least one quantifiable interim metric related to the primary water quality resource concern. There is a need to identify goals and interim metrics that can be aggregated and reported on a national basis. In many cases, it takes many years for water quality improvements to be measurable, especially with regard to nutrients. Therefore, each NWQI watershed must have at least one quantifiable interim metric related to the primary water quality concern that can be reported on a regular basis.

If a watershed management plan exists, STCs should use the plan for determining goals. (Note that all projects that receive 319 watershed project funding should have a nine-element watershed management plan.) If a watershed management plan is not in place, STCs should work with partners to identify goals and metrics based on, at a minimum, the primary water quality resource concerns in the watershed, areas of high- priority treatment need, the suite of appropriate practices, and a yearly schedule for completion. If the watershed is part of a group of contiguous watersheds, one set of goals and metrics may be established for the group.

For the purposes of reporting, goals and metrics should be specific to NRCS's work in the watershed; however, they should be aligned with watershed management plans and other watershed planning efforts.

Goals and metrics must be entered in the spreadsheet (tab titled "Goals" located on the RCs' SharePoint (32TNRCS ORC  Nat'l. Water Quality Initiative (NWQI)  Shared Documents  NWQI32T). Further instructions may also be found in this spreadsheet.

1. **By the end of the first quarter:** Metrics for newly proposed watersheds must be entered into the spreadsheet on the RCs' SharePoint.

2. **By the end of the first quarter:** Continuing watersheds must have goals and at least one quantifiable metric in place and entered into the spreadsheet on the RCs' SharePoint.

**ProTracts Subaccounts and Application, Evaluation, and Ranking Tool (AERT)**

This guidance establishes action items to be completed by STCs to support NWQI by December 31 of each fiscal year.

ProTracts Subaccounts and Application, Evaluation, and Ranking Tool (AERT).—States are to establish subaccounts and populate the ranking evaluation criteria in ProTracts AERT and other actions as follows.

1. **ProTracts Subaccounts:** STCs must establish a separate subaccount in ProTracts for each watershed approved for NWQI and assign the account type of "National Water Quality." The subaccounts must be assigned the name "NWQI – (name of 12-digit HUC)."

2. **Resource Concerns**: States must assign the nationally approved natural resource concerns in AERT for each subaccount established in ProTracts, as follows. For planning purposes, States should emphasize the primary resource concerns targeted by NWQI.

Primary Natural Resource Concerns

| Water Quality Degradation |
|---|
| Nutrients in Surface Water |
| Excessive Sediment in Surface Water |
| Excess Pathogens and Chemicals from Manure, Bio-solids or Compost Applications in Surface Water |

Note: State ranking criteria should prioritize applications that focus on addressing the primary natural resource concerns identified above. Below are other resource concerns that may have ancillary benefits associated with addressing primary resource concerns.

Secondary Natural Resource Concerns

| Water Quality Degradation |
|---|
| Nutrients in Groundwater |
| Salts in Groundwater |
| Salts in Surface Water |
| Excess Pathogens and Chemicals from Manure, Bio-solids or Compost Applications in Groundwater |
| Pesticides in Groundwater |
| Pesticides in Surface Water |
| Elevated Water Temperature |
| Fish and Wildlife – Inadequate Habitat |
| Inadequate Habitat – Water |

Note: No additional resource concerns may be added by States.

3. **National Approved Land Use Types**

| Crop |
|---|
| Forest |
| Range |
| Pasture |
| Farmstead |

**Section D:**

**Core and Supporting Practices for Support of the NWQI Watersheds**

| **Conservation Activity Plans** | **Code** |
|---|---|
| Comprehensive Nutrient Management Plan | 102 |
| Nutrient Management Plan | 104 |
| Irrigation Water Management Plan | 118 |
| Drainage Water Management Plan | 130 |

The NWQI emphasizes a "systems approach" to address priority natural resource concerns. A cornerstone of this approach is to encourage producers to implement a system of practices that has been determined to address specific high-priority resource concerns in selected watersheds and incorporate practices that address the concepts of avoiding, controlling, or trapping pollutants, or "ACT."

**Core Conservation Practices Required to be Offered in NWQI**

States must offer all of the following core practices to support NWQI. If a State does not need to offer one or more of the core practices (e.g., the practice is not needed to address a resource concern), the State Conservationist (STC) must notify the NWQI Coordinator, who will seek approval from the initiative lead Regional Conservationist.

| Core Practices | Code | Avoiding | Controlling | Trapping |
|---|---|---|---|---|
| Waste Storage Facility | 313 | X | X | |
| Animal Mortality Facility | 316 | | X | |
| Composting Facility | 317 | X | X | |
| Conservation Cover | 327 | X | | X |
| Conservation Crop Rotation | 328 | X | | |
| Residue and Tillage Management, No Till/Strip Till/Direct Seed | 329 | | X | X |
| Contour Farming | 330 | | X | X |
| Contour Orchard and Other Perennial Crops | 331 | | X | X |
| Contour Buffer Strips | 332 | | | X |
| Cover Crop | 340 | X | | X |
| Critical Area Planting | 342 | | X | X |
| Residue and Tillage Management, Reduced Till | 345 | | X | X |
| Well Water Testing | 355 | X | | |
| Waste Treatment Lagoon | 359 | | X | |
| Waste Facility Closure | 360 | X | | |
| Anaerobic Digester | 366 | | X | |
| Field Border | 386 | | X | X |
| Riparian Herbaceous Cover | 390 | | | X |
| Riparian Forest Buffer | 391 | | | X |
| Filter Strip | 393 | | X | X |
| Stream Habitat Improvement and Management | 395 | X | | |
| Grade Stabilization Structure | 410 | | X | X |
| Grassed Waterway | 412 | | X | |
| Irrigation Reservoir | 436 | | X | |
| Irrigation Water Management | 449 | | X | |
| Access Control | 472 | X | | |
| Prescribed Grazing | 528 | X | | |
| Drainage Water Management | 554 | | X | |
| Heavy Use Area Protection | 561 | X | | |
| Trails and Walkways | 575 | | X | |
| Streambank and Shoreline Protection | 580 | X | | |
| Nutrient Management | 590 | X | | |
| Terrace | 600 | | X | |

| Core Practices | Code | Avoiding | Controlling | Trapping |
|---|---|---|---|---|
| Vegetative Barrier | 601 | | | X |
| Tree/Shrub Establishment | 612 | X | | X |
| Waste Treatment | 629 | | X | |
| Waste Recycling | 633 | | X | |
| Waste Transfer | 634 | X | | |
| Vegetated Treatment Area | 635 | | | X |
| Water and Sediment Control Basin | 638 | | X | X |
| Constructed Wetland | 656 | | | X |

**Supporting Conservation Practices**

| Supporting Practices | Code | Avoiding | Controlling | Trapping |
|---|---|---|---|---|
| Agrichemical Handling Facility | 309 | X | | |
| Alley Cropping | 311 | | X | X |
| Brush Management | 314 | X | X | |
| Herbaceous Weed Control | 315 | X | | |
| Prescribed Burning | 338 | X | | |
| Sediment Basin | 350 | | X | |
| Water Well Decommissioning | 351 | X | | |
| Dike | 356 | | X | X |
| Diversion | 362 | | X | |
| Roofs and Covers | 367 | X | X | |
| Pond | 378 | | | X |
| Windbreak/Shelterbelt Establishment | 380 | | X | X |
| Silvopasture Establishment | 381 | X | | |
| Fence | 382 | X | | |
| Dam | 402 | | X | X |
| Hedgerow Planting | 422 | X | | X |
| Hillside Ditch | 423 | | X | |
| Irrigation Ditch Lining | 428 | X | X | |
| Irrigation Pipeline | 430 | | X | |
| Irrigation System, Micro irrigation | 441 | X | | |
| Sprinkler System | 442 | X | | |
| Irrigation System, Surface & Subsurface | 443 | X | | |
| Precision Land Forming | 462 | | | X |
| Irrigation Land Leveling | 464 | X | X | |
| Lined Waterway or Outlet | 468 | | X | |
| Mulching | 484 | | X | X |
| Forage Harvest Management | 511 | X | X | |
| Forage and Biomass Planting | 512 | X | | X |
| Livestock Pipeline | 516 | X | X | |
| Range Planting | 550 | | | X |

| | | | | |
|---|---|---|---|---|
| Row Arrangement | 557 | X | | |
| Roof Runoff Structure | 558 | X | | |
| Access Road | 560 | X | | |
| Spring Development | 574 | X | | |
| Stream Crossing | 578 | X | | |
| Open Channel | 582 | | X | |

| Supporting Practices | Code | Avoiding | Controlling | Trapping |
|---|---|---|---|---|
| Stripcropping | 585 | | X | |
| Structure for Water Control | 587 | | X | X |
| Cross Wind Ridges | 588 | | X | |
| Cross Wind Trap Strips | 589C | | X | X |
| Amendments for the Treatment of Agricultural Waste | 591 | X | X | |
| Integrated Pest Management | 595 | X | | |
| Herbaceous Wind Barriers | 603 | | X | |
| Surface Drain, Field Ditch | 607 | | X | |
| Surface Drain, Main or Lateral | 608 | | X | |
| Surface Roughening | 609 | X | | |
| Watering Facility | 614 | X | | |
| Underground Outlet | 620 | | X | |
| Solid/Liquid Waste Separation Facility | 632 | | X | |
| Waterspreading | 640 | | X | |
| Water Well | 642 | X | | |
| Restoration and Management of Declining Habitats | 643 | X | | |
| Wetland Wildlife Habitat Management | 644 | | X | |
| Windbreak/Shelterbelt Renovation | 650 | | X | X |
| Wetland Restoration | 657 | | X | |
| Wetland Creation | 658 | | X | |
| Wetland Enhancement | 659 | | X | |

**Section E:**

**Required NWQI Screening Criteria Worksheet**

**NRCS Environmental Quality Incentives Program (EQIP)**
***A screening worksheet must be completed for each eligible EQIP application.***

Instructions: This screening worksheet must be completed for each eligible producer applying for EQIP National Water Quality Initiative assistance. Applications will be accepted on a continuous basis; however, an application period has been established for purposes of evaluation, ranking, and funding decisions. The goal of this screening tool is to ensure that conservation technical assistance and EQIP program benefits are managed efficiently to address priority conservation needs related to this national initiative.

Completion of this worksheet and documentation does not constitute agreement to provide EQIP program benefits nor approval of a program contract. The original screening worksheet should be filed with the applicant case file or EQIP program file and unless the application is determined to be ineligible, the screening priority (high, medium, and low) must be recorded in ProTracts application priority. Upon request, a copy of the completed screening worksheet may be provided to the applicant.

**Detailed Screening Criteria Worksheet – Complete for Each Eligible EQIP Applicant**

| | | | |
|---|---|---|---|
| Applicant Name: | | County: | |
| Application No: | | Field Office: | |
| Evaluator Name: | | Date: | |

| Priority Determination for ProTracts – Select One: | |
|---|---|
| **Ineligible Category:**<br>The EQIP application is associated with land that is not located primarily within the boundaries of the approved watershed for the National Water Quality Initiative. (Enter application in ProTracts, but do not rank. Offer alternative program assistance.) | Application Status is **"Ineligible"** |
| **High Priority Category:**<br>All of the conservation practices requested in the application will be implemented on land physically located inside the NWQI watershed, *AND*<br>The application includes core conservation practices (as identified for the pollutants of the eligible water quality initiative 12-digit watershed) on more than 25 percent of the offered acres – *OR* – The application is for a conservation activity plan (CAP). | **High Priority** Status in ProTracts |
| **Medium Priority Category 1:**<br>All of the conservation practices requested in the application will be applied on land physically located inside the NWQI watershed, *AND*<br>The application contains core conservation practices (as identified for the pollutants of the eligible water quality initiative 12-digit watershed). | **Medium Priority** Status in ProTracts |
| **Medium Priority Category 2:**<br>One or more of the conservation practices requested in the application will be applied on land physically located outside the NWQI watershed, *AND*<br>The application contains core conservation practices (as identified for the pollutants of the eligible water quality initiative 12-digit watershed). This status is not applicable to applications that are not located primarily within the boundaries of an approved NWQI watershed. | **Medium Priority** Status in ProTracts |
| **Low Priority Category:**<br>All other applications – low priority applications will not be ranked for FY 2015 NWQI. | **Low Priority** Status in ProTracts |

The priority determination of high, medium, or low must be recorded in ProTracts application priority for this applicant.

| | | | |
|---|---|---|---|
| D.C. Approval: | | Date Approved: | |

**Section F:**

**Required NWQI State Questions and Example Local Questions**

Required National Water Quality Initiative State Ranking Questions (Maximum State Points – 400)

States must enter the following questions in ProTracts Application Evaluation Ranking Tool (AERT) for each approved NWQI subaccount and watershed:

| EQIP NWQI Ranking Questions | Points |
|---|---|
| 1. If the application is for development of a conservation activity plan (CAP), the agency will assign significant ranking priority and conservation benefit by answering "Yes" to the following question. Answering "Yes" to question 1a will result in the application being awarded the maximum amount of points that can be earned for the State priority category. | |
| 1a. Is the program application for development of a TSP prepared CAP? **If answer is "Yes," do not answer any other State-level questions**. If answer is "No," proceed with evaluation to address the remaining questions in this section. | 400 |
| 2. Water Quality – EPA Watersheds: | |
| 2a. Does the application include core conservation practices that will be implemented within ¼ mile of a stream or water body that is threatened (i.e., receives significant runoff of excess nitrogen or phosphorous) and on the EPA 303(d) list, or listed as impaired with a TMDL in place and therefore not on the 303(d) list, or specified as a critical stream or water body authorized by the Regional Conservationist? | 100 |
| 3. Geographic Impacts: | |
| 3a. Are more than 75 percent of the acres treated<br>i. Located within a NWQI watershed AND<br>ii. Do they have at least one core conservation practice planned on them? | 125 |
| 4. Collaborative Efforts: | |
| 4a. Are core conservation practices planned for the applicant's treated acres within an existing non-USDA water quality project area addressing the same or similar pollutants? | 75 |
| 5. Effort to Address Watershed Impairments: | |
| 5a. Does this program application include the implementation of a system of conservation practices which address the NWQI primary resource concerns? | 50 |
| 6. High-Risk Soils: | |
| 6a. Are core conservation practices to be implemented on offered acres with a majority of soil types that are classified Hydrologic Group D (high runoff) or Group A (high infiltration)? | 50 |
| **Total Points:** | **400** |

**EXAMPLE LOCAL QUESTIONS**

- **Required Local-Level Ranking Criteria**

States are encouraged to utilize local questions that address specific pollutants, soil factors, and stream issues; questions that encourage use of a "systems approach"; and questions that address monitoring. For example, in developing local questions associated with "nutrients," States are encouraged to utilize questions that address the implementation of nutrient management and cover crops. Below are examples of questions that might be utilized for each of the recommended categories.

Examples of questions that address specific impairments:

- Will Nutrient Management (590) be implemented in conjunction with erosion control practices to control the loss of nitrogen and phosphorus from fields?
- Will a cover crop be utilized on at least 25 percent of the offered acres?
- Will livestock be excluded from all streams on the offered acres?

Examples of questions that address soil factors that influence water quality:

- Are more than 75 percent of the offered acres on land with a soil vulnerability classification of "moderately high" or "high" as specified by the Vulnerability Assessment and Program Performance Tool? (Comment: Other approved matrices or tools could be incorporated or substituted to target vulnerable land.)
- Will the application of conservation practices reduce the STIR rating to less than on more than 75 percent of the offered acres?

Examples of questions that address streams issues:

- Are planned conservation practices within ¼ mile of a blue line stream on a USGS topographic map within the impaired watershed?

Examples of questions that utilize a systems approach:

- Will the implementation of one planned conservation practice on at least percent of the offered acres result in the existence of a conservation system where at least one practice exists in each of the avoid, trap, and control categories?
- Will the implementation of two planned conservation practices on at least percent of the offered acres result in the existence of a conservation system where at least one practice exists in each of the avoid, trap, and control categories?
- Will the implementation of three planned conservation practices on at least percent of the offered acres result in the existence of a conservation system where at least one practice exists in each of the avoid, trap, and control categories?

**Process for Discontinuing and or Selecting New NWQI Watersheds**

NRCS has made a commitment to the Office of Management and Budget that changes to watersheds in NWQI watersheds will be minimal and based on clear justification and documentation. Additional guidance for this process will be issued annually at the beginning of the fiscal year.