United States Department of Agriculture

Natural Resources Conservation Service

American Recovery & Reinvestment Act Program Plan – Addendum

Watershed Protection and Flood Prevention Operations

A. Funding Table

Funding Table – Watershed Operations		
Apportionment \$145,000,000		
Obligations – (as of 5/12/2010)	\$76,501,357	
Disbursements - (as of 5/12/2010)	\$15,610,528	

B. Objectives and Activities

The objective of the Watershed Protection and Flood Prevention Program is to assist States, local governments and Tribes (project sponsors) with implementing authorized watershed project plans for the purpose of watershed protection; flood mitigation; water quality improvements; soil erosion reduction; rural, municipal and industrial water supply; irrigation water management; sediment control; fish and wildlife enhancement; and wetlands and wetland function creation and restoration.

Additionally, as ARRA-funded Watershed Protection and Flood Prevention projects, jumpstarting the economy, creating or saving jobs, and investing in our nation's infrastructure are also top priorities.

Through the Watershed Protection and Flood Prevention Program, NRCS provides technical and financial assistance to project Sponsors (units of state and local governments and Tribes) to implement authorized watershed project plans. With limited exceptions, projects with a total federal share greater than \$5 million must be authorized by Congress, while projects less than \$5 million must be authorized by the NRCS Chief.

Activity Objectives and Descriptions

- □ **Permit-Required Mitigation** is replacement of environmental features impacted by construction of a project measure.
- □ **Structural Repair** is follow-up work to correct unforeseen deficiencies or site conditions that impact the safety of a project measure.
- Land Treatment Projects are contracts with individual landowners to install

conservation practices to improve water quality and water conservation on their property.

New construction is the investigation, survey, design and construction of project measures that provide multi-purpose benefits, and that are owned, managed and operated by project sponsors.

C. Characteristics

ARRA funds are obligated through project agreements with vendors and federal contracts with project sponsors. These funds have created jobs, stimulated the economy, and accomplished high priority conservation work in our nation's watersheds.

To further ARRA purposes, a four-step process is used to select projects that have a demonstrated or potential ability to deliver programmatic results. These steps are outlined below.

- 1. State Conservationist Program guidance requires all projects recommended by the NRCS State Conservationist are:
 - a) Economically defensible based on the Principles and Guidelines for Water Resource Projects;
 - b) Environmentally sound based on the National Environmental Policy Act; and
 - c) Ready for immediate implementation based on ARRA purpose to commence expenditures and activities as quickly as possible.

Additionally, the State Conservationist identifies project sponsors (local and state governmental units) that meet the "readiness test" (i.e., all land-rights, permits and the non-federal share of the project are available).

- 2. National Program Leader Review The National Program Leader reviews all projects recommended by State Conservationists. This review considers the geographic distribution of projects on a nationwide basis, and economic impacts of the portfolio of recommended projects based on state unemployment data and estimated number of jobs created. Projects are sorted by four main categories: mitigation measures, land treatment measures, new construction measures, and structural repair measures. Within each category projects are recommended for funding based on ability to obligate funds within ARRA deadlines.
- Deputy Chief for Easements & Landscape Planning Review The portfolio of recommended projects are reviewed by the Deputy Chief for consistency with ARRA priorities and overall balance.
- 4. Chief's Final Selection The Chief reviews the portfolio of recommended projects and makes the final decision on the portfolio of projects that will be submitted for approval. The Undersecretary for Natural Resources and the Environment provides concurrence prior to the Secretary's approval.

D. Delivery Schedule

There have been three rounds of project selection to date. Approximately \$85,000,000 was committed to 55 projects on April 16, 2009 as part of Round One. Round Two, consisting of

34 projects totaling \$42,288,000, was announced on June 2, 2009. The Secretary committed \$9,472,000 to seven projects on January 7, 2010 as part of Round Three. As of May 1, 2010, NRCS has obligated \$68.6 million and signed 242 contracts in 80 of the 87 planned projects. Contracts have been awarded and construction has begun on 33 projects totaling \$45.5 million.

Projects not meeting performance goals may have funding withdrawn by the NRCS National office. Only one project has been had its funding withdrawn because land rights issues were preventing it from meeting performance goals. These withdrawn funds have been redistributed to new projects, or projects exceeding expectations. Withdrawn funds also may be committed in the future to selecting additional projects as those funds become available.

E. Measures and Monitoring/Evaluation

Project implementation helps NRCS achieve management practices that promote and provide watershed protection; flood mitigation; water quality improvements; soil erosion reduction; rural, municipal and industrial water supply; irrigation water management; sediment control; fish and wildlife enhancement; and wetlands and wetland function creation and restoration.

<u>Performance of Delivery</u>. OMB Guidance addressing ARRA notes that agencies should ensure that progress can be tracked against certain accountability measures related to the proper delivery of funds. NRCS is ensuring that it has the capacity to track ARRA funds, in coordination with the Department as follows:

- 1. audits and investigations of ARRA funds to identify wasteful spending and minimize waste, fraud, and abuse;
- 2. qualified personnel overseeing ARRA funds;
- 3. maximization of opportunities to use competitive awards;
- 4. timely award of dollars;
- 5. timely expenditure of dollars;
- 6. timely completion of planned work;
- 7. minimization of cost-overruns; and
- 8. minimization of improper payments.

To the extent possible, the agency has made use of existing measures of performance and monitoring to ensure that its performance goals are being tracked and met. In addition to reducing the burden on grant recipients and contractors, the use of existing measures allows the public to see the performance impact, in terms of change against present performance levels, of ARRA investments.

<u>Program Performance</u>. NRCS has utilized the Program Operations Information Tracking System (POINTS) database to track Watershed and Flood Prevention Operation project program performance. The POINTS database captures accomplishment information on projects that are funded through ARRA.

Milestone Tracked in POINTS	Percentage of Projects Achieving Milestone as of May 13, 2010
Funds Obligated	70.1%
Construction Commenced	51.7%
Construction Completed	1.1%
Financial Close-Out	0%

<u>Additional Performance Measures specific to ARRA</u>. NRCS added POINTS milestone_ tracking data to measure performance related to the specific ARRA goals on a monthly basis. Beginning in May 2010, the ability to report out the number, dollar amount, and percent of funds for all projects that are considered to be in "Limited Resource Communities" will be available. Limited Resource Communities are determined through average unemployment rates, median per capital income and median housing value.

Activity Outcomes and Performance Measures

NRCS monitors at both the State and National levels the implementation progress of all selected projects using the existing performance tools and data elements. Additionally, due to the urgency of delivery from construction start through completion, NRCS continuously tracks milestones for each project through the following metrics: project design, funds committed, funds obligated, award of construction contract, construction commencement, payment disbursement, and construction completion.

<u>Assessing Risk.</u> NRCS regularly assesses the implementation risk associated with_ individual Watershed Protection and Flood Prevention projects by evaluating several critical factors that influence obligations, disbursements, and construction completion. These include total project cost, milestone status, sponsor viability, and project complexity.

The risk assessment is a tool that enables resources to be applied in a targeted approach. Regional Conservationists, State Conservationists, National Headquarters staff, and state teams form a communications web in which strategies are developed to address at -risk projects. Discipline-specific assistance is provided to states by program managers, engineers, contracting specialists, and other experts as needed.

The success of Watershed and Flood Prevention Operation activities will be evaluated using the following performance measures:

- □ Number of land treatment contracts developed for water quality improvement or water conservation improvement.
- □ Number of single purpose floodwater retarding structures installed
- Number of multi-purpose water supply structures installed Number of other flood prevention or mitigation measures installed

Performance measures include:

Performance Objective	Performance Measure	Progress	Frequency
Watershed Protection	Number of land treatment contracts developed for water quality improvement or water conservation improvement	308 measures approved for implementation; 182 contracts developed and funded	Quarterly
Flood Mitigation	Number of single purpose floodwater retarding structures installed	364 structures approved for construction	Quarterly
Water quality improvements; soil erosion reduction; and sediment control	Number of land treatment contracts developed for water quality improvement or water conservation improvement	308 measures approved for implementation; 182 contracts developed and funded	Monthly
Rural, municipal and industrial water supply	Number of multi- purpose water supply structures installed.	No structures approved for construction	Quarterly
Irrigation water management	Number of land treatment contracts developed for water quality improvement or water conservation improvement	308 measures approved for implementation; 182 contracts developed and funded	Quarterly
Fish and wildlife enhancement; and wetlands and wetland function creation and restoration	Number of other flood prevention or mitigation measures installed.	None. Progress toward this objective will occur once construction, seeding and tree planting activities are finished.	Quarterly

Projects Benefits	Status as of May 12, 2010	
Natural Resources Benefits		
Tons of soil saved from erosion (Tons/Year)	6,344,602	
Water bodies or stream segments improved that also provide recreational opportunities (Count)	5,094	
Wetlands created, enhanced or restored (Acres)	31,538	

Upland or riparian wildlife habitat created, enhanced or restored (Acres)	1,242,524
Tons of reduction of annual sedimentation (Tons/Year)	9,139,819
Streams and corridors enhanced or protected (Miles)	8,607
Amount of water conserved (Acre-feet)	75,213
Monetary	/ Benefits
Flood damage reduction benefits to agriculture	\$28,181,597
Flood damage reduction benefits to non- agriculture	\$52,215,405
Non-flood damage reduction benefits to agriculture	\$93,157,308
Non-flood damage reduction benefits to non- agriculture	\$590,776,535
Social & Comn	nunity Benefits
Number of People Benefitted	13,795,566
Farms and ranches benefits	15,810
Businesses benefitted	1,134
Homes benefitted	17,012
Bridges benefitted	3,004
Domestic water supplies benefitted	155

F. Transparency and Accountability

The reporting requirements described in Chapter 4 provide the measures required by ARRA related to accountability and transparency. In addition, NRCS established a publicly available website to report information agency action in ARRA -related matters: _ www.nrcs.usda.gov/recovery.

G. Barriers to Effective Implementation

Factors beyond the control of the agency that could impact progress towards accomplishing goals and objectives:

- Extreme weather or natural disaster; and
- □ Legal or regulatory constraints or changes that affect securing land rights, obtaining permits, or program resources.

H. Federal Infrastructure Investments

All projects funded in cooperation with State and local governmental sponsors are owned, operated and maintained by the sponsors.

Watershed Rehabilitation

A. Funding Table

Funding Table – Watershed Rehabilitation		
Apportionment	\$50,000,000	
Obligations – (as of 5/12/2010)	\$22,431,031	
Disbursements – (as of 5/12/2010)	\$5,241,985	

B. Objectives and Activities

The objectives of the Watershed Rehabilitation Program are to extend the service life of dams and bring them into compliance with applicable safety and performance standards or to decommission the dams so they no longer pose a threat to life and property.

NRCS provides technical and financial assistance to project sponsors to implement authorized watershed rehabilitation project plans. Implementation of project plans can include contracting, engineering, construction activities.

Activity Objectives and Descriptions

NRCS activities include working with State dam safety agencies and other subdivisions of state governments to complete dam rehabilitation projects that serve State and local needs. Selected projects are a result of applications being submitted by city or county officials, soil and water conservation districts, or other public agencies that own and operate the dams. All applications are coordinated with the State dam safety officials to ensure that dam safety requirements are met or exceeded.

Program implementation includes the participation of local and state agencies and the private sector in the planning, design and construction of rehabilitation projects. Contracts or project agreements have been developed with these entities sectors to accelerate rehabilitation project implementation and meet ARRA completion targets.

Rehabilitation project activities include participation of the dam owners to provide local cost - share funds for construction, acquire land and water rights and permits, and to operate and maintain the project to provide long-term serviceability to the community. NRCS also provides assistance to the sponsors to prepare Emergency Action Plans with the community leaders and citizenship to be prepared in the unlikely event of an emergency disaster.

C. Characteristics

The majority of ARRA funds will be expended through contracts, grants and agreements. These financial awards will be structured to create jobs, stimulate the economy, and accomplish high priority work in our nation's waterways.

To further the purposes of ARRA, a four-step process is used to select projects that have a demonstrated or potential ability to deliver programmatic results. These steps are outlined below.

- 1. State Conservationist Program guidance requires that all projects selected and ranked by the NRCS State Conservationist are based on the following factors:
 - a) a technical determination considering the condition of dam and the population at risk; and
 - b) the ability to complete projects within the timeframe limitations of ARRA by showing:
- National Program Leader Review The National Program Leader reviews all projects recommended by State Conservationists. This review considers geographic distribution of projects on a nationwide basis and other benefits of the proposed portfolio of recommended projects for balance and to accomplish NRCS strategic goals.
- Deputy Chief for Easements & Landscape Planning Review The portfolio of recommended projects are reviewed by the Deputy Chief for consistency with ARRA priorities and overall balance.
- 4. Chief's Final Selection The Chief reviews the portfolio of recommended projects and makes the final decision on the portfolio of projects that will be submitted for approval. The Undersecretary for Natural Resources and the Environment provides concurrence prior to the Secretary's approval.

D. Delivery Schedule

Funding was originally provided to 29 projects in 11 states. Projects were approved by the Secretary on March 11, 2009 and began implementation immediately. Construction will be underway on the majority of the projects in Fiscal Year 2010. As of May 7, 2010, NRCS has obligated \$ 22,391,358, and signed 6 contracts. Contracts have been awarded and construction has begun on 3 projects totaling \$7.4 million. Currently, 21 projects are active in 10 states.

Projects not meeting performance goals may have funding withdrawn. Withdrawn funds have been redistributed to projects exceeding expectations. as they become available.

E. Measures and Monitoring/Evaluation

Project implementation helps NRCS achieve management practices that promote and provide watershed protection; flood mitigation; water quality improvements; soil erosion reduction; rural, municipal and industrial water supply; irrigation water management; sediment control; fish and wildlife enhancement; and wetlands and wetland function creation and restoration.

<u>Performance of Delivery</u>. OMB Guidance addressing ARRA notes that agencies should_ ensure that progress can be tracked against certain accountability measures related to the proper delivery of funds. NRCS is ensuring that it has the capacity to track ARRA funds, in coordination with the Department, as follows:

- 1. audits and investigation of ARRA funds to identify wasteful spending and minimize waste, fraud, and abuse;
- 2. qualified personnel overseeing ARRA funds;
- 3. maximization of opportunities to use competitive awards;
- 4. timely award of dollars;
- 5. timely expenditure of dollars;
- 6. timely completion of planned work;
- 7. minimization of cost over-runs; and
- 8. minimization of improper payments.

To the extent possible, the agency uses of existing performance measures and monitoring to ensure goals are met. In addition to reducing the burden on grant recipients and contractors, using existing measures allows the public to see the performance impact, in terms of change against present performance levels, of ARRA investments.

<u>Program Performance</u>. NRCS has identified each internal database that captures_ accomplishment information on Watershed Rehabilitation projects are funded through ARRA. Performance related directly to the implementation of projects has been tracked using POINTS. All project benefits are entered into POINTS, which is a real time automated data management system. POINTS will display performance and outcomes for every project, including a variety of social, environmental and economic benefits.

Milestone Tracked in POINTS	Percentage of Projects Achieving Milestone as of May 13, 2010	
Design Completed	52.4%	
Funds Obligated	76.2%	
Construction Commenced	14.3%	
Construction Completed	0%	
Financial Close-Out	0%	

Additional Performance Measures related specifically to ARRA. All Watershed

Rehabilitation projects are evaluated against performance measures that can be tracked in increments throughout the ARRA implementation period. These serve as accountability measures and assure the public that funds are being implemented as planned. Each project includes one or more of the following phases: number of rehabilitation plans, engineering design completion, obligation of construction dollars in contracts or agreements, construction commencement, and construction completion.

Activity Outcomes and Performance Measures

The outcomes of rehabilitation projects include economic benefits from flood damage

reduction and the number of people protected/served by the reduction in flood risk. Public safety is the primary objective and outcome of the Watershed Rehabilitation Program.

<u>Assessing Risk.</u> NRCS regularly assesses the implementation risk associated with individual Watershed Rehabilitation projects by evaluating several critical factors that influence obligations, disbursements, and construction completion. These include total project cost, milestone status, sponsor viability, and project complexity.

The risk assessment is a tool that enables resources to be applied in a targeted approach. Regional Conservationists, State Conservationists, National Headquarters staff, and state teams form a communications web in which strategies are developed to address at -risk projects. Discipline-specific assistance is provided to states by program managers, engineers, contracting specialists, and other experts as needed.

Program benefits will be identified in POINTS upon project completion, including:

- Number of homes, business establishments, farms and ranches, bridges, and public facilities benefited by project action;
- □ Number of people benefiting from project action;
- Domestic water supplies benefited;
- □ Streams and corridors enhanced or protected;
- □ Reduced sedimentation;
- □ Incidental recreation; and
- □ Acres of wetlands conserved/protected.

The primary mechanism NRCS uses to track performance of the Watershed Rehabilitation program is the number of unsafe dams that have either been rehabilitated or removed. To date, no projects have been completed.

F. Transparency and Accountability

The reporting requirements described in Chapter 4 provide the measures required by ARRA related to accountability and transparency. In addition, NRCS established a publicly available website to report information on agency action in ARRA -related matters: <u>www.nrcs.usda.gov/recovery</u>.

G. Barriers to Effective Implementation

Factors beyond the control of the agency that could affect progress towards accomplishing the goals and objectives:

- Extreme weather or natural disaster
- □ Legal or regulatory constraints or changes that affect management activities, available options, or program resources,
- Demographic shifts or changes in stakeholder perceptions that result in unanticipated shifts in expectations,

H. Federal Infrastructure Investments

All projects funded in cooperation with sponsors are owned, operated and maintained by the sponsors.

Emergency Watershed Protection Program - Floodplain Easements

A. Funding Table

Funding Table – Floodplain Easements		
Apportionment \$145,000,000		
Obligations – (as of 5/12/2010)	\$101,600,983	
Disbursements – (as of 5/12/2010)	\$55,890,281	

B. Objectives and Activities

The focus of the Emergency Watershed Protection Program - Floodplain Easements (FPE) is to restore, protect, maintain, and enhance the functions of the floodplain; conserve natural values including fish and wildlife habitat, water quality, flood water retention, ground water recharge, and open space; reduce long-term federal disaster assistance; and safeguard lives and property from floods and the products of erosion. NRCS actively restores the natural features and characteristics of the floodplain through re-creating the topographic diversity, increasing the duration of inundation and saturation, and providing for the re-establishment of native vegetation.

The FPE program provides financial assistance and technical assistance to landowners who voluntarily place a perpetual conservation easement on their frequently-flooded property. Additionally, the FPE program provides financial and technical assistance for the restoration of the easement area's floodplain to its natural topographic and/or vegetative state.

Activity Objectives and Descriptions

FPE projects have two phases—1) floodplain easement acquisition and 2) floodplain easement restoration:

- Phase 1 Floodplain Easement Acquisition ARRA funds have been used to purchase conservation easements from willing sellers on floodplain lands that meet program criteria. Purchases are based upon the priorities established in the Emergency Watershed Protection Program Manual 390 – Circular No. 2. That guidance requires:
 - □ Land must be located within the watershed designated eligible for participation.
 - □ A minimum of 65% of the acreage proposed for enrollment must be located within the watershed.
 - □ Land must be privately owned or owned by State or local units of government, and:
 - a. have been damaged by flooding at least twice within the previous 10 years or at least once in the last twelve months; and
 - b. be other lands within the floodplain that are functionally dependent on

acres under the previous step, or that would improve the practical management of the easement. No more than one acre of other land may be enrolled for each acre of land eligible under the previous step; or

- c. lands that would be inundated or adversely impacted as a result of a dam breach.
- Phase 2 Easement Restoration ARRA funds are used to restore and enhance the easement's floodplain functions to natural conditions to the greatest extent practicable. This effort has included both topographic restoration and vegetative restoration. Per Watershed Protection Program Manual 390 – Circular No. 2, restoration on floodplain easements must include all necessary conservation practices, measures and activities required to restore the floodplain functions and values to the natural conditions to the greatest extent practicable.

C. Characteristics

NRCS has utilized ARRA funds designated for the FPE program through easement agreements with landowners and restoration agreements with landowners, nongovernmental organizations and Federal, State or local agencies. These financial awards have been structured to create jobs, stimulate the economy, and accomplish high priority work on flood-prone lands.

To further the purposes of ARRA, a four-step process is used to select projects that have a demonstrated or potential ability to deliver programmatic results. These steps are outlined below.

- State Conservationist Program guidance requires that all projects recommended by the NRCS State Conservationist are ranked in accordance with national and state criteria. Additionally, the State Conservationist ensures that all data required in the Floodplain Easement Tracker on the NRCS ARRA SharePointTM website¹ is loaded, updated as is necessary, and is accurate.
- National Program Leader Review The National Program Leader reviews all projects recommended by State Conservationists. This review considers geographic distribution and other benefits of the proposed portfolio of recommended projects for balance and to accomplish NRCS strategic goals.
- Deputy Chief for Easements & Landscape Planning Review The portfolio of recommended projects are reviewed by the Deputy Chief for consistency with ARRA priorities and overall balance.
- 4. Chief's Final Selection The Chief reviews the portfolio of recommended projects and makes the final decision on the portfolio of projects that will be advanced for concurrence by the Undersecretary for Natural Resources and the Environment, for the Secretary's approval.

D. Delivery Schedule

Awards have been made in four funding rounds. Most recently, the Secretary approved 22 projects on April 16, 2010 totaling \$13.4 million in acquisition and restoration funds. As of

¹ https://nrcs.sc.egov.usda.gov/programs/stimulus/Lists/ARRA_FPE_Tracking/AllItems.aspx

April 26, 2010, the FPE program had approximately \$100.3 million in obligations on 256 projects, including the fourth round projects. The delivery schedule is as follows:

- □ Acquisition obligations
 - o Completed for 228 projects
 - Remaining 28 projects are expected to have funds obligated by no later than July 15, 2010.
- □ Restoration obligations
 - Completed for 47 projects
 - o 25 projects have restoration that will be completed by partners
 - Remaining 184 projects are expected to have funds obligated by no later than September 15, 2010.
- Restoration Completion Expected to be completed during the next available construction window following easement closure. Approximately 30% of projects will be restored by December 31, 2010, the remaining by June 1, 2011.

E. Measures and Monitoring/Evaluation

The infusion of ARRA funds will implement conservation measures that promote and provide clean air, clean water, fish and wildlife habitat, and recreation opportunities.

<u>Performance of Delivery</u>. OMB Guidance addressing ARRA notes that agencies should_ ensure that progress can be tracked against certain accountability measures related to the proper delivery of funds. NRCS is ensuring that it has the capacity to provide, in coordination with the Department as necessary:

- 1. audits and investigation of ARRA funds to identify wasteful spending and minimize waste, fraud, and abuse;
- 2. qualified personnel overseeing ARRA funds;
- 3. maximization of opportunities to use competitive awards;
- 4. timely award of dollars;
- 5. timely expenditure of dollars;
- 6. timely completion of planned work;
- 7. minimization of cost over-runs; and
- 8. minimization of improper payments.

NRCS used existing measures of performance and monitoring to ensure that its performance goals are being tracked and met. In addition to reducing the burden on grant recipients and contractors, the use of existing measures allowed the public to see the performance impact of ARRA investments.

<u>Program Performance</u>. NRCS created a new database, the Floodplain Easement Tracker, on the NRCS ARRA SharePoint website, that captured accomplishment information on projects that funded through ARRA.

Milestone	Percentage of Projects Achieving Milestone as of May 13, 2010	
Easement Option Signed	89.5%	
Easement Closed	55.5%	
Restoration Obligated	35.5%	
Project Completed	5.9%	

Activity Outcomes and Performance Measures

The success of FPE activities will be evaluated using the following performance measures:

- □ Number and acres of easements closed
- □ Number and acres of easements restored

Performance measures will include:

Performance Objective	Performance Measure	Progress as of May 12, 2010	Frequency
Conservation Easements Closed	Count	136	Quarterly
Conservation Easements Closed	Acres	19,610	Quarterly
Floodplain Easements Restored	Count	3	Quarterly
Floodplain Easements Restored	Acres	424	Quarterly

F. Transparency and Accountability

The reporting requirements described in Chapter 4 provide the measures required by the ARRA related to accountability and transparency. In addition to these requirements, the Agency has established its own publicly available website which will report additional information on the Agency's actions in ARRA -related matters: _ <u>www.nrcs.usda.gov/recovery</u>.

G. Barriers to Effective Implementation

Factors beyond the control of the agency that could affect progress towards accomplishing

the goals and objectives:

- Extreme weather, climatic fluctuations, and environmental change
- □ Legal or regulatory constraints or changes that affect management activities, available options, or program resources
- □ Shortage of native plant materials required for vegetative restoration
- □ Title clearance issues

H. Federal Infrastructure Investments

NRCS holds title to FPE program easements and has the management and monitoring responsibilities for the easements.