

NRCS Environmental Quality Incentives Program (EQIP)
Ground and Surface Water Conservation Initiative (GSWC)

EQIP PROGRAM DESCRIPTION:

Introduction:

The Klamath River Basin is located on the Oregon and California State boundary and covers approximately 10 million acres. The entire watershed drains six major rivers into the Klamath River, which empties into the Pacific Ocean. Over the past several years, a severe drought has impacted the entire watershed leaving competing interests to look for alternatives to conserve existing scarce water sources. Through legislation and efforts of the Natural Resources Conservation Service (NRCS), special funding is available through the Environmental Quality Incentives Program (EQIP) to help agriculturists mitigate the impacts of drought in the Klamath Basin. A total of \$50 million was appropriated for fiscal years 2002 to 2007 to support use and installation of ground and surface water conservation practices. Measures include improvements to irrigation systems; conversion to crops that require less water; improving water storage capability; incentives to improve water management; and the promotion of "water banking" and groundwater recharge, and other systems that promote surface and groundwater conservation, as determined by the Secretary of Agriculture.



EQIP Program:

The Klamath Basin Ground and Surface Water Conservation (GSWC) EQIP Program is authorized by the 2002 Farm Bill. The Bill directs the NRCS to provide cost-share and incentive payments to producers to install practices, which result in a net savings in surface or groundwater resources. The program requires the development of lists showing practices eligible for cost-share, allowed cost-share rates, maximum payment limits, criteria used to rank applications, and a description of the program and the application process. This document provides the basic information producer's need to request for conservation planning assistance and to develop the EQIP Program application and contract. Practices selected as eligible for cost-share in the Klamath Basin were based upon recommendations from Local Work Groups and Stakeholders. Other program management decisions were based upon legal program authorities and agency policy.

For fiscal year 2004, NRCS expects to receive \$5 million for EQIP program contracts on each side of the California and Oregon border within the Klamath Basin. The EQIP program will fund eligible contracts based upon the total water saving achieved through installation of the practices scheduled in the proposed contract. On the California side, approximately 80% of the available funds will be targeted to contracts located in the Upper Klamath Sub-Basin above the Iron Gate Dam, and 20% will be available to contracts in the Lower Klamath Sub-Basin below the Iron Gate Dam (See previous map). Of the total funds available on the California side, a percentage not to exceed 20% may also be targeted to contracts that propose "retrofit" of existing sprinkler irrigation Systems. The applications that provide the greatest net water savings will be ranked highest and awarded funding. Applications that are ineligible for program benefits or are unable to be funded through this fiscal year's program will be deferred. To facilitate ranking, application periods have been established to allow determination of eligible contracts. Eligible producers had until January 9, 2004 (above Iron Gate Dam), December 15, 2003 (Siskiyou County below Iron Gate Dam), or January 30, 2004 (Trinity, Humboldt, and Del Norte counties) to submit a completed form CCC-1200 application to be considered for this funding cycle. Applications will continue to be accepted after this deadline, but ranking will be deferred until the next fiscal year funding cycle. EQIP applications are accepted on a continuous basis.

Program Application:

For information about the Klamath Basin EQIP GSWC Program or for application assistance contact one of the following NRCS offices closest to the proposed project location:

<u>California</u>				<u>Oregon</u>
USDA NRCS Tulelake Office 356 Main Street P.O. Box 1180 Tulelake, CA 96134 530-667-3215 530-667-4249 (Fax)	USDA NRCS Yreka Office 215 Executive Crt. Suite A Yreka, CA96097 530-842-6123 530-842-1027	USDA NRCS Eureka Office 5630 S. Broadway Eureka, CA 95503 707-442-6058 707-442-7514 (Fax)	USDA NRCS Weaverville Office #3 Horseshoe Lane P.O. Box 1450 Weaverville, CA 96023 530-623-3991 530-623-2353 (Fax)	USDA NRCS Klamath Falls Office 2316 South 6 th Street Klamath Falls, OR 97601 541-883-6924 541-882-9044 (Fax)

Eligible Practices and Cost-Share Rates:

Information about eligible practices and allowable cost share rates can be found in the approved cost list for the fiscal year 2004Klamath Basin NRCS EQIP Ground and Surface Water Conservation Program, available at the previously listed offices or at the EQIP Program website (www.nrcs.usda.gov/programs/eqip/).

Application Evaluation:

The 2002 Farm Bill establishes basic eligibility for the EQIP Ground and Surface Water Conservation program based upon a conservation plan and contract that will "*result in a net savings in groundwater or surface water resources in the agricultural operation of the producer.*" The NRCS has established a two step process to evaluate the applicants proposed contract to determine the estimated net savings and subsequently, the applicant's ranking. In addition, the overall EQIP program requires evaluation of applications to determine which may optimize environmental benefits. For the EQIP GSWC, the highest environmental benefit is equivalent to the maximum net savings of irrigation water. The first step is a screening process that generally results in a priority grouping of applications for further evaluation and processing. The second step is a more detailed evaluation of the proposed practices listed in the contract, which results in the estimated net savings. Following is a more detailed explanation of these two steps:

Screening Process:

As allowed in Section 515.82(b), EQIP Program Manual, NRCS may use a screening process to compile, sort and prioritize eligible applications. The Klamath Basin screening process utilizes criteria that allow quick evaluation of the application and placement into one of three priority categories. Based upon the kind of irrigation system improvements or practices to be implemented, the criteria predict which applications are likely to result in the greatest net water savings. The screening results in placing the application in a High, Medium, or Low ranking category. After the application ranking period cut-off date, eligible applications in the High category will be ranked and funded first. After all High category applications are ranked and funded, and if additional EQIP funds are available, the Medium category applications will be ranked and approved to the extent funds are available. The process continues to the Low category, as funds are available, unless the application is deferred until the next funding cycle. Refer to the Screening Worksheet for more detail regarding the criteria and other factors used in the process.

Ranking Process:

The Klamath Basin ranking process utilizes criteria that predict the amount of "net water savings" resulting from installation of practices scheduled in the proposed EQIP contract. NRCS will utilize the "Farm Irrigation Rating Index (FIRI)" process to estimate water usage prior to installation of any practices or improvements (Benchmark) and the amount of water saving expected after the installation of practices or system improvements (Planned). The predicted difference between the Benchmark condition and Planned condition equals the estimated net water savings. The FIRI process uses site-specific conditions such as the type of irrigation system improvements, soil texture, soil intake rate, and crop related factors to determine water use. Refer to the Ranking Criteria Worksheet form for more detail regarding the FIRI and other factors in the process.

Disclaimer: The EQIP program information presented in this document was current at the time of posting to the Internet. To obtain the most current information, viewers or clients should contact their nearest respective USDA Service Center as shown on page 2.