

National Bulletin: 300-25-14

Date: 2/25/2025

Subject: LTP–National Water Quality Initiative Watershed
and Source Water Protection Area Updates for
Fiscal Year 2026

Action Required By: April 28, 2025

Purpose: This national bulletin provides state conservationists (STC) and directors of the Caribbean and Pacific Island areas with procedures for National Water Quality Initiative (NWQI) participation and source water protection areas (SWPA) for fiscal year (FY) 2026.

Expiration Date: September 30, 2025.

Background: NWQI was established in FY 2012 as an initiative delivered 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 2019, NWQI eligibility was expanded to include source water protection for ground and surface waters with agricultural sources of water pollution. Guidance for NWQI can be found in [440 NI § 307.28](#).

Each year, STCs consult with state water quality agencies and partners, including drinking water providers, to evaluate NWQI watersheds and SWPAs and propose to add or withdraw them based on NWQI criteria, state priorities, and NRCS leadership approval. All states must participate in NWQI with at least **three** priority watersheds (HUC12) or SWPAs.

Each NWQI watershed or SWPA must have:

- 1) A multiyear implementation plan documenting projected activity and funding needs for the proposed project time frame. Implementation plans for multiple contiguous watersheds may be combined into one document.
- 2) A watershed assessment or SWPA plan that directs project implementation needs ([NWQI/MRBI Watershed Assessment Guidance](#) or [NWQI Source Water Assessment Guidance](#)). NWQI implementation watershed assessments may use existing watershed-based plans (e.g., EPA Clean Water Act Section 319) as a foundation.

If watersheds or SWPAs are identified as a priority but there are no assessments or plans that meet NRCS guidance, they may be proposed as planning watersheds or SWPAs (see criteria in [NWQI New Watershed and Source Water Protection Area Selection Criteria](#), section 1).

Explanation: This bulletin provides criteria and action items to:

- Request new watersheds for the FY 2026 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 current implementation watersheds

Participation Level

All states and areas must participate with at least three planning or implementation watersheds (HUC12) that address impaired or threatened surface waters or SWPAs. States with no NWQI watersheds may need to use the planning phase to develop the components needed for implementation phase activities. Planning watersheds count towards the required participation level.

There is no limit on the number of NWQI watersheds in a state. This gives STCs flexibility in selecting 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. Watersheds with low levels of activity may be removed following an annual national headquarters review.

STCs should work with state and local stakeholders in selecting priority watersheds that leverage local partnerships and address stakeholder conservation priorities.

Funding

NWQI allocations will be based on the funding need documented in the project implementation plans. Each state's allocations will be limited to the sum of its smallest four project budgets. STCs may redistribute the allocation among approved implementation watersheds and SWPAs.

STCs may use EQIP General to support activities in existing NWQI implementation plans where the allocation is inadequate. In this case, reallocate the funds to the "National Water Quality" account type and use the [NWQI Ranking Guidance](#) and CART templates.

Instructions for Submitting NWQI Proposals

New for the FY 2026 cycle, all NWQI proposals and changes must be submitted through the [NWQI Web Application](#). A user guide is available in the application. STCs may select one or more contiguous watersheds in a proposal. Do not submit proposals through email.

Requesting Changes to Watersheds and SWPAs

Planning Phase: The planning phase allows watersheds and SWPAs to be included in NWQI and prepare for the implementation phase. STCs may receive support from national headquarters through GIS resources, assessment guidance, and targeting tools that can help develop critical source area maps required for the implementation phase.

- Conservation Technical Assistance (CTA) funding may be provided for activities in the planning phase. CTA allocations will be limited to \$50,000 per NWQI or SWPA proposal with a maximum of \$150,000 per state. This limit applies to the combined total for NWQI and Mississippi River Basin Healthy Watersheds Initiative (MRBI) planning projects per fiscal year.

Implementation Phase: Implementation watersheds and SWPAs are those ready for NWQI financial assistance delivery. The implementation phase requires completed NRCS watershed or areawide assessments with maps identifying critical source areas and outreach strategies for all proposed watersheds and SWPAs.

STCs may propose SWPAs for ground or surface water in either the planning or implementation phase. Both surface and ground SWPAs must be delineated by HUC12 watersheds.

- STCs should propose SWPAs based on delineations provided or supported by drinking water partners.
- Proposed SWPAs may be in the high priority areas for source water (see 440 NI 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.

Watershed Assessment Template

The [NWQI/MRBI Watershed Assessment Template](#) has been added to help NRCS staff and partners develop new watershed assessments. STCs can 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 and SWPA assessments.

The table below describes the NWQI options and required actions for FY 2026:

NWQI Options	Determination Needed	If yes	If no
Update a current NWQI project	Does the original or amended assessment support the proposed change?	Edit the watershed in the NWQI Web Application. Attach the original or amended watershed plan along with supporting justification for the change.	Amend the original watershed assessment to support additional watersheds, critical acres, or modified budget.

NWQI Options	Determination Needed	If yes	If no
Requesting new watersheds	Is there an assessment or plan that meets guidance in NWQI/MRBI Watershed Assessment Guidance	Confirm that the watershed meets eligibility criteria (NWQI and SWPA Selection Criteria). If so, complete an implementation request (NWQI Web Application) and attach the watershed assessment and checklist (Watershed Assessment Checklist)	Not eligible for implementation phase. If you want to submit the watershed to the planning phase, confirm that the watershed meets eligibility criteria (NWQI and SWPA Selection Criteria , Section 1) and complete the planning proposal (NWQI Web Application).
Requesting new SWPAs	Is there an assessment or plan that meets guidance in NWQI Source Water Assessment Guidance ?	Confirm that the watershed meets eligibility criteria (NWQI and SWPA Selection Criteria). If so, complete an implementation plan (NWQI Web Application) and checklist (Source Water Protection Assessment Checklist).	Not eligible for implementation phase. If you want to submit the SWPA to the planning phase, complete the planning proposal (NWQI Web Application).
Requesting withdrawal of watersheds or SWPAs	Is there evidence of meeting treatment goals or low producer participation	Complete withdrawal request (NWQI Web Application) with justifications and include state water quality agency concurrence. ¹	Not eligible for withdrawal without concurrence from the state water quality agency.

¹ Any NWQI watersheds that are proposed for withdrawal (with concurrence from the state water quality agency) and have instream monitoring can request to keep the NWQI designation and be placed into a “NWQI Monitoring Watershed” category. These watersheds will not receive NWQI financial assistance.

More resources for response to this bulletin can be found in the [FY 2026 NWQI Directive SharePoint Folder](#).

For the FY 2026 cycle, all NWQI and SWPA changes will be submitted through the [NWQI Web Application](#) by April 28, 2025. The tool will allow you to request to withdraw a watershed, propose new planning or implementation watersheds, or edit a current implementation project. Submit NWQI and SWPA changes with attachments (if applicable).

The NWQI coordinator for the Areawide Planning Branch is John Bullough.

Contact: If you have questions or need additional information, please contact John Bullough, natural resource specialist, at john.bullough@usda.gov.