

**NOTICE OF GRANT AND AGREEMENT AWARD**

1. Award Identifying Number <b>69-3A75-12-255</b>	2. Amendment No.	3. Award/Project Period <b>9/1/12-9/30/15</b>	4. Type of Award Instrument <b>Grant</b>
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5. Agency: Natural Resources Conservation Service (NRCS) (Name and Address) <b>USDA, NRCS 1400 Independence Avenue, SW, Rm. 5221-S Washington, DC 20250</b>	6. Recipient Organization: (Name and Address) <b>Willamette Partnership 2650 SW Hillsboro Highway Hillsboro, OR 97123</b>		
	<table border="1"> <tr> <td>DUNS: <b>043046983</b></td> <td>EIN: <b>(b) (4)</b></td> </tr> </table>	DUNS: <b>043046983</b>	EIN: <b>(b) (4)</b>
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7. NRCS Program Contact: <b>Gregorio Cruz (703) 236-8066 Gregorio.Cruz@wdc.usda.gov</b>	8. NRCS Administrative Contact: <b>Frankie Comfort (202) 720-4102 Frankie.Comfort@wdc.usda.gov</b>	9. Recipient Program Contact: <b>Dr. Bobby Cochran (503) 681-4435</b>	10. Recipient Administrative Contact:
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11. CFDA Number <b>10.912 - EQIP</b>	12. Authority <b>16 USC 3839aa-8, Section 2509 (Food Conservation, and Energy Act of 2008)</b>	13. Type of Action <b>New</b>	14. Project Director <b>Dr. Bobby Cochran cochran@willamettepartner</b>
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15. Project Title/Description:  
**Multi-state agency guidance for water quality trading-State agencies building shared trading policies/tools for the Pacific Northwest and beyond.**

16. Entity Type:  Profit  Nonprofit  Higher Education  Federal  State/Local  Indian/Native American  
 Other

17. Select Funding Type:		18. Accounting and Appropriation Data	
<input checked="" type="checkbox"/> Federal	<input checked="" type="checkbox"/> Non-Federal	Financial Code	Amount
		<b>(b) (4)</b>	<b>(b) (4)</b>
Original Funds Total:	<b>\$1,589,751</b>		Fiscal Year
			<b>2012</b>
Additional Funds Total:			Treasury Symbol
			<b>122/1004</b>
Grand Total:	<b>\$1,589,751</b>		

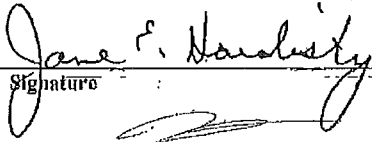
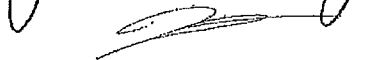
**19. APPROVED BUDGET**

Personnel	\$269,949	Fringe Benefits	<b>(b) (4)</b>
Travel	\$50,240	Equipment	<b>(b) (4)</b>
Supplies	\$13,497	Contractual	<b>(b) (4)</b>
Construction	\$	Other	<b>(b) (4)</b>
Total Direct Cost	<b>\$1,589,751</b>	Total Indirect Cost	<b>(b) (4)</b>
		Total Non-Federal Funds	<b>(b) (4)</b>
		Total Federal Funds Awarded	<b>\$1,589,751</b>
		Total Approved Budget	<b>(b) (4)</b>

This agreement is subject to applicable USDA NRCS statutory provisions and Financial Assistance Regulations. In accepting this award or amendment and any payments made pursuant thereto, the undersigned represents that he or she is duly authorized to act on behalf of the awardee organization, agrees that the award is subject to the applicable provisions of this agreement (and all attachments), and agrees that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by NRCS to have been overpaid, will be refunded or credited in full to NRCS.

(Continuation)

NOTICE OF GRANT AND AGREEMENT AWARD			
Award Identifying Number	Amendment No.	Award/Project Period	Type of Award Instrument
69-3A75-12-255		9/1/12-8/31/15	Grant

Name and Title of Authorized Government Representative Jane Hardisty, Acting Deputy Chief for Mgmt. Natural Resources Conservation Service	Signature 	Date 9-27-2012
Name and Title of Authorized Recipient Representative Bobby Cochran Executive Director	Signature 	Date 9/28/2012

**NONDISCRIMINATION STATEMENT**

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**PRIVACY ACT STATEMENT**

The above statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. Section 522a).

Fiscal Year 2012 Conservation Innovation Grants  
Statement of Work

**Authority**

Environmental Quality Incentives Program (EQIP) [16 U.S.C. 3839aa-8] under Section 2509 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246).

**Program Contact:**

Gregorio Cruz, National CIG Program Manager  
(703) 235-8065  
[gregorio.cruz@wdc.usda.gov](mailto:gregorio.cruz@wdc.usda.gov)

**Project Contact:**

Bobby Cochran, Executive Director  
Willamette Partnership  
2550 SW Hillsboro Highway  
Hillsboro, OR 97123  
(503) 681-4435  
[cochran@willamettepartnership.org](mailto:cochran@willamettepartnership.org)

**Project Purpose/Objective:**

The primary objective of this effort is to secure multi-state consensus and USEPA support for a Joint Regional Agreement that will include: multi-state agency guidance; general restoration project and BMP quality standards; credit tracking procedures; and accounting methods for "credits" that can be used in water quality trading for nutrients (nitrogen and phosphorus) and temperature in Oregon, Washington, and Idaho.

**Deliverables:**

- Task 1. Review 8 trading policies & Convene Stakeholders
  - Summary report of gaps in existing 8 state trading policies and USEPA policy
  - Convening report with process design, group membership, and process issues
- Task 2. Draft Tier One Multi-State Agency Guidance
  - Kick-off workshop agenda and action items
  - Working group agendas and action items
  - Draft Guidance Document
- Task 3. Draft Tier Two Standard Operating Procedure
  - Shade calculator updated and validated for OR, WA, ID
  - Nutrient calculator updated and validated for OR, WA, ID
  - Draft Standard Operating Procedure document with protocols, permit language, and roles and responsibilities
- Task 4. Draft Tier Three State-specific Addenda
  - OR Draft Addenda
  - ID Draft Addenda
  - WA Draft Addenda
- Task 5. Stakeholder Engagement
  - Engage local stakeholders/alignment on project outcome (Joint Regional Agreement)
  - Comments received from USDA, USEPA, and other states via national calls
  - Versions of Tier One and Tier Two documents that are applicable to other states
- Task 6. Finalize Joint Regional Agreement & Report to NRCS
  - Final versions of Multi-State Agency Guidance, Standard Operating Procedures, and State-specific addenda

- Joint Regional Agreement supported by USEPA and state water quality agencies
- Handbook for other states on steps needed to join the Agreement
- In addition to specific deliverable, grantee must provide the following items as deliverables:
  - a. Semi-annual reports
  - b. Supplemental narratives to explain and support payment requests
  - c. Final report
  - e. New technology and innovative approach fact sheet on low cost field runoff monitoring and on identifying risk for winter runoff.
  - d. Participation in at least one NRCS CIG Showcase or comparable NRCS event during the period of the grant

#### **Other**

- Funding for this grant is from the Environmental Quality Incentives Program (EQIP). The CIG project eligibility requirement indicates that each CIG project must involve landowners who meet the EQIP eligibility requirements. Furthermore, all agricultural producers receiving direct or indirect payments through participation in a CIG project must also meet the EQIP eligibility requirements. Grants and participating producers must comply with a number of provisions related to EQIP and EQIP eligibility:
  - \$300,000 Payment Limitation: Section 1240G of the Food Security Act of 1985 (as amended by Section 2509 of the Food, Conservation, and Energy Act of 2008), 16 U.S.C. 3839aa-7, imposes a \$300,000 limitation for all cost-share or incentive payments disbursed to individuals or entities under an EQIP contract between 2008 and 2012. The limitation applies to grant funds that are provided, either directly or indirectly, to an individual or entity to carry out structural, vegetative, or management practices. The grant funds that are provided count toward each individual's or entity's EQIP payment limitation. The procedures and policies of the EQIP (7 CFR 1466) will be followed to implement this payment limitation for this grant. Also, the grantee will follow reporting requirements outlined in the agreement terms and conditions.
  - Adjusted Gross Income: Section 1604 of the Farm Security and Rural Investment Act of 2002 (as amended by the Food, Conservation, and Energy Act of 2008), the Adjusted Gross Income (AGI) provision that limits the eligibility of certain individuals and entities for commodity and conservation programs benefits. For the 2009 through 2012 crop, fiscal, or program years, if a person or legal entity has an average adjusted gross nonfarm income that exceeds \$1 million, the person or legal entity is ineligible to receive payments or benefits under conservation and related programs, and other programs made applicable by statute or regulation, unless at least 66.66 percent of the AGI is average adjusted gross income farm income.
  - Highly Erodible Land (HEL) and Wetlands Conservation Compliance: The Food Security Act of 1985, as amended, requires that all persons that produce agriculture commodities must protect all cropland classified as being highly erodible from excessive erosion, as well as protecting wetlands. The provisions have been amended in the 1990, 1996, 2002, and 2008 Farm Bills.
- To satisfy EQIP requirements (7 CFR 1466) compliance measures, the grantee is required to submit as a component of the biannual progress report:
  - A list of producers, identified by name of all EQIP-eligible producers or entities involved in the project.
  - The dollar amount of direct and indirect payment made to each individual producer or entity for any structural, vegetative, or management practices (if applicable). Both quarterly and cumulative payment amounts must be submitted.
  - A self-certification indicating that each individual or entity receiving a direct or indirect payment through this grant is in compliance with the EQIP Payment Limitation, AGI, HEL, and Wetlands Conservation Compliance Farm Bill provisions (if applicable).
- Technical Contact: NRCS will provide a technical contact for this grant. The technical contact information will be forwarded under separate cover within 3 months of award. The Technical Contact will have technical

oversight responsibility for the project. The grantee is responsible for providing the technical assistance required to successfully implement and complete the project. The grantee must send copies of each biannual progress report to the technical contact, and comply with any requests for information from these individuals.

- The attached assurance and certifications (SF 424B) are hereby incorporated into this grant award.
- The grantee is responsible, without recourse to NRCS or USDA, for the settlement and satisfaction of all contractual and legal issues arising out of arrangements entered into between the grantee and third parties to carry out approved project activities. Matters concerning violation of law should be referred to the Federal, State, or local authority having proper jurisdiction.
- The Federal Travel Regulations will serve as a guideline for any travel performed under this grant.