Attachment 2F(1)

Explanatory Note for USDA Natural Resource Conservation Service (NRCS) Report
May 2, 2011

This report reflects the National Environmental Policy Act (NEPA) status of NRCS projects and activities funded by ARRA through the period ending March 31, 2011. This report is cumulative and includes information on approved projects since NRCS' last report on December 31, 2010. A few corrections are noted concerning the number of projects approved and the types of environmental compliance documents prepared. Since the last report, total obligations for the Watershed and Flood Prevention Operations decreased slightly by $535,373, and for the Watershed Rehabilitation Programs decreased slightly by $403 due to misreporting, withdrawals, and additions.

NRCS has three programs funded through ARRA: Watershed Rehabilitation, Floodplain Easements, and Watershed Operations. NRCS has two treasury symbols for program funding because Floodplain Easements and Watershed Operations share the same treasury symbol (Treasury Symbol: 12-1073) under the title of Watershed and Flood Prevention Operations.

Watershed Rehabilitation (rows 1 – 21 and 389)

As noted in previous reports, one of the 27 originally approved watershed rehabilitation projects was withdrawn from the program because, after field verification, it was determined that the dam was a low hazard dam and the hazards were not actually in the breach zone. Because the dam is a low hazard dam, it is not eligible for Watershed Rehabilitation funding.

In the quarterly report dated March 31, 2010, NRCS reported that 3 additional projects of the 27 originally approved watershed rehabilitation projects (listed as Environmental Assessments (EA)) were withdrawn from the program because of land rights issues (row 12- Watershed Rehabilitation project MA 303, row 15- Watershed Rehabilitation project NY- Conewango Creek, and row16- Watershed Rehabilitation project NY- Little Choconut).

In the report dated June 30, 2010, two additional projects (row 14- Watershed Rehabilitation project NY- Conewango Creek, listed as a pending EA, and row 20- Watershed Rehabilitation project TX- Plum Creek, listed as an EA) withdrew due to land rights issues.
In the last report, one additional project withdrew from the program. The Switzler Creek project in Kansas (row 8- Watershed Rehabilitation project KS- Switzler Creek) withdrew because the sponsors initially thought they had their cost share lined up but discovered that Kansas State law did not allow them to finance construction using the method they had planned.

Since ARRA funds had to be obligated prior to October 31, 2010, the sponsors were not able to certify they had their share of funds available until after the election. Therefore, the project was withdrawn from ARRA funding and funds were requested under the regular Watershed Rehabilitation Program. This brought the cumulative total Watershed Rehabilitation projects that have withdrawn to seven since reporting began (see page 1 of the NRCS spreadsheet).

In the seventh report, one new Watershed Rehabilitation project was added and is for the City of Wilbur on row 380. The row number has now changed due to previously non reported projects being added to this spreadsheet. The City of Wilbur project is now on row 389 of this spreadsheet.

There are currently 21 approved projects under our Watershed Rehabilitation Program. Of those 21 approved projects, all 21 projects now have completed environmental documentation:

- 13 projects have EAs completed;
  7 projects are covered under a statewide Programmatic Environmental Impact Statement (PEIS), which is used after a documented review using the agency's environmental evaluation process; and
- 1 project (MA-Su-As-CO MA 301) has been categorically excluded (previously reported as a pending EA).

The completion dates reported for the 13 EAs is the date the Finding of No Significant Impact was issued. The completion date for the PEIS is the signature date of the Record of Decision.

Watershed and Flood Prevention Operations (rows 22 – 388)

Currently, there are 400 active projects under the Watershed and Flood Prevention Operations appropriation funding. This is further broken down into 120 ARRA projects for Watershed Operations (rows 22-104 and 388) and 280 active projects for Floodplain Easement (FPE) Component restoration actions (rows 105-387). Please note there are several individual EAs that are associated with multiple projects and, thus, total project numbers are more than total complete environmental reviews. Also, note there are some changes in total numbers in this report due to misreporting, withdrawals, and additions which are noted below.

Watershed Operations (rows 22 -104 and 388)

For this reporting period, there were no changes or updates for the Watershed Operations ARRA funded projects. There are 120 ARRA projects for Watershed Operations. There are several

EAs associated with multiple projects. When projects have combined into one NEPA action, it has been noted on page 2 of the spreadsheet.

One Watershed Operations project, Mud River (row 388), was added in the seventh report and has all NEPA documentation completed for it.

All 120 Watershed Operations projects have completed environmental documentation for this reporting cycle:

- 5 projects were covered under 5 Categorical Exclusions (CE);
- 75 projects were covered under 52 EAs; and
- 40 projects were covered under 27 Environmental Impact Statements (EIS).

Correction to Reporting

One project that had been listed as pending completion of an EA for the previous three reporting cycles was further reviewed and determined eligible to be categorically excluded. The Fox Creek project in Kentucky (row 39) has completed documentation to support the use of a CE.

Floodplain Easements (rows 105-387)

Currently, there are 280 approved projects listed under FPE restoration. For this reporting period, one project has withdrawn due to inability to secure land rights (row 365- North Dakota Floodplain Easement Conservation Activities-3726).

As noted in the previous reporting cycle, one other project had withdrawn from the program due to the inability to secure land rights (row 247- Ohio Floodplain Easement Conservation Activities-Lake 3531).

Correction to Reporting

Nine projects (Rows 378-385 and Row 387) were inadvertently not reported on previously and have been added to this quarterly report. All nine projects have completed NEPA documentation to support the use of a CE. All corrections to total numbers have been corrected in this ninth report.

Of those 280 projects, 279 projects have completed environmental documentation and 1 project has pending environmental compliance documentation:

- 268 projects covered by individual CEs;
- 8 projects covered under a PEIS;
- 2 projects are covered under 2 EAs;

- 1 project is pending completion of CE documentation; and

The following corrections were made to row 248 in the last quarterly report on June 30, 2010:

Row 248: The project was reported as withdrawn in the last report, but after negotiations with the landowner, the project has been reapproved for funding. A CE memo is pending completion along with concluding other consultation and permitting requirements.

The following corrections were made to row 105 for the last quarterly report on December 31, 2010:

Row 105: The number of projects “tiering” to an EIS has been changed from 10 in previous reports to 8 for this reporting period. The two projects listed as “tiering” to an EIS for Oregon have been re-evaluated and it has been determined that a CE could be utilized instead. Changes have been made to the spreadsheet to reflect this.

Another correction that had been made in the seventh ARRA report concerns counting of one project twice in the last quarterly report. Row 238 for the project in Somerset, New Jersey, from the June 30, 2010, reporting period has been deleted from this report, as it was counted twice.

The last correction for floodplain easements was one additional project not previously recorded in the seventh report in row 340 for Tennessee. This project was not included in the sixth quarterly report, but was captured in the seventh quarterly reporting period.

Pending Environmental Compliance Documentation for Floodplain Easements

There is currently only one FPE project (Pennsylvania) that is listed as pending completion of environmental documentation. This project is a carry-over project for three reporting cycles as of the date of this report. The pending CE is a result of the landowner needing to obtain permits or conclude consultations for other applicable environmental laws (row 366). The completion dates will be entered in future ARRA reports.

NEPA Benefits

While completing the Environmental Assessment for the NRCS's Calaveras Creek Watershed Rehabilitation Project to repair structural components of a dam in Texas, a prehistoric bedrock mortar cultural feature was identified. If the site had not been properly surveyed and analyzed during the NEPA process, the cultural feature may not have been discovered and documented.

The feature is unique in that no other bedrock mortars are known in this area of Texas. Design measures are planned to avoid adverse effects to the feature by covering it with appropriate protective fill material.

> The NRCS's Gering Valley Watershed Operations Project in Nebraska is a watershed operations project which is installing a drain system for an existing dam. The original dam was built before NEPA became law; therefore, not all of the environmental resource concerns were identified. Based on the analysis completed for NEPA, NRCS opted not to select the original planned alternative that had design features that would have affected natural prairie resources in the project area and potentially impacted the visual aesthetics for the adjacent Scott's Bluff National Monument viewshed. Instead, another alternative analyzed in the EA that avoids those specific natural prairie resources and addresses the landscape/viewshed concerns will be selected. Thus, this project has benefited from the NEPA process by identifying the need to protect native prairie areas as well as protecting scenic beauty and visual aesthetics for the Scott's Bluff National Monument.
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> During the NEPA review of the Carolina Mountain Land Conservancy ARRA-Floodplain Easement project in Henderson County, North Carolina, NRCS consultation with the U.S. Fish and Wildlife Service (FWS) resulted in a collaborative partnership with FWS and other funders to restore, enhance and protect recovery habitat for federally listed endangered Bunched Arrowhead (Saggitaria fasciculata), a small plant that inhabits early succession saturated wetlands. A restoration design is being produced to provide

appropriate hydrologic regimes and light levels to restore and expand habitat for the rare plant. An existing colony of Bunched Arrowhead has been temporarily removed from the site for conservation while the floodplain and wetland are restored. When restoration is completed, the Bunched Arrowhead will be re-introduced to the site.

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