

PROJECT SUMMARY SHEET

PROJECT TITLE ND Pay-for-Progress/Water Quality Outcomes Program

NAME, ADDRESS, PHONE AND E-MAIL OF LEAD PROJECT SPONSOR/SUBGRANTEE

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STATE CONTACT PERSON \_\_\_\_\_  
PHONE \_\_\_\_\_ FAX \_\_\_\_\_ E-MAIL \_\_\_\_\_  
STATE \_\_\_\_\_ WATERSHED \_\_\_\_\_  
HYDROLOGIC UNIT CODE \_\_\_\_\_  
HIGH PRIORITY WATERSHED (yes/no) \_\_\_\_\_

TMDL Development and/or Implementation (Check any that apply)

| PROJECT TYPES                                 | WATERBODY TYPES                                      | NPS CATEGORY                                    |
|---|--|---|
| <input type="checkbox"/> STAFFING & SUPPORT   | <input type="checkbox"/> GROUNDWATER                 | <input checked="" type="checkbox"/> AGRICULTURE |
| <input checked="" type="checkbox"/> WATERSHED | <input checked="" type="checkbox"/> LAKES/RESERVOIRS | <input type="checkbox"/> URBAN RUNOFF           |
| <input type="checkbox"/> GROUNDWATER          | <input checked="" type="checkbox"/> RIVERS           | <input type="checkbox"/> SILVICULTURE           |
| <input checked="" type="checkbox"/> I&E       | <input checked="" type="checkbox"/> STREAMS          | <input type="checkbox"/> CONSTRUCTION           |
|   | <input type="checkbox"/> WETLANDS                    | <input type="checkbox"/> RESOURCE               |
|   | <input checked="" type="checkbox"/> OTHER            | EXTRACTION                                      |
|   |  | <input type="checkbox"/> STOWAGE/LAND DISPOSAL  |
|   |  | <input type="checkbox"/> HYDRO MODIFICATION     |
|   |  | <input checked="" type="checkbox"/> OTHER       |

PROJECT LOCATION: LATITUDE \_\_\_ MIN. \_\_\_\_\_ LONGITUDE \_\_\_ MIN. \_\_\_\_\_

SUMMARIZATION OF MAJOR GOALS: The International Water Institute (IWI) will work with ND farmers, commodity groups, and private companies with sustainability goals doing business in ND to develop recommendations and a work plan to implement and deliver a successful ND Department of Environmental Quality (DEQ) Pay-for-Progress (PfP) conservation program. The PfP will enable more rapid and measurable water quality improvement by creating a new, more effective conservation program delivery framework for ND agriculture.

PROJECT DESCRIPTION: The IWI has engaged a ND farmer advisory group to realize meaningful regional surface water quality improvements through analysis and application of data derived from the Prioritize, Target, and Measure Application (PTMApp). As part of this effort, the IWI will develop recommendations to establish a PfP program for consideration by the DEQ. Evidence in other parts of the U.S. (Ohio, Vermont, Chesapeake Bay) suggest programs that focus on payment for water quality outcomes, rather than practice payments, can more effectively engage farmers in conservation and allow conservation program managers to deliver quantifiable water quality benefits in agricultural watersheds.

The IWI will complete a review of PfP /outcomes/progress programs proposed or being used in other U.S. regions, develop a conceptual framework for a ND PfP, solicit input on the conceptual framework from a ND farmer-focus group, ND commodity groups, and 3

corporations with sustainability claims actively doing business in ND, the public, and DEQ staff. A Pay-for-Progress report and recommendations for implementation will be submitted for use by the DEQ.

FY 22-23 319 funds requested (base) \$ 56,128 (incremental) \$ \_\_\_\_\_

Match \$ 37,418

Other Federal Funds \$ 0

Total project cost \$ 93,546

319 Funded Full Time Personnel 1.25

## 2.0 STATEMENT OF NEED

The North Dakota Non-Point Source Program (NPS) addresses non-point pollution through the management and implementation of voluntary incentive-based conservation implementation programs. ND's voluntary NPS traditionally focused on programs offering cost-share payments to implement conservation practices (e.g., grassed waterways) or change farming methods. Few farmers participate in these programs because they are considered to be highly bureaucratic and payments are often insufficient to cover expenses. This situation has hindered timely and meaningful improvement to ND's water quality.

## 3.0 PROJECT DESCRIPTION

3.1 The project goal is a final report with a series of recommendations, vetted by ND farmers, commodity groups, private business, and the public for a Pay-for-Progress program focused on water quality outcomes. The final report will be submitted to the ND Department of Environmental Quality (DEQ)

3.2 **Objective 1** – Review existing pay-for-performance or pay-for-progress water quality programs.

Tasks - Develop a “program comparison” table documenting producer eligibility requirements, commitment/enrollment period, outcomes/performance/progress parameters, methods used to describe outcomes/performance/progress (including outcomes “stackability”), payment approaches and ranges, WQ goals used to assess progress, funding sources and limitations, legal considerations, and validation/verification processes.

Products – Program comparison table.

Cost - \$10,921

**Objective 2** – Define desired water quality outcomes.

Tasks - Define desired water quality outcomes (load reductions) for three ND watershed using PTMApp data to characterize the watershed outcomes (\$/mass, \$/acre) needed treatment (% of watershed requiring treatment to achieve the goals), define watershed goals, develop watershed strategies to achieve those goals, estimating the cost to achieve those goals, and the edge-of-field load and watershed load reductions.

Products – Watershed goals in 3 ND pilot watersheds

Cost - \$19,522

**Objective 3** – Develop conceptual framework for a ND Pay-for-Progress Program.

Task - Define and describe the ND PfP program concept, identify who would receive the payment, apply PTMApp data to set the payment range by practice type (at the practice outlet and field edge) for sediment and total phosphorous, compare PTMApp cost-effectiveness to cost per lb./acre, and describe program obligations and requirements.



|   |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|
| Task 3 - Compare PTMApp cost effectiveness to cost/lb./acre.<br>Task 4 - Describe program obligations and requirements.<br>Group 1  |  |  |  |  |  |  |  |
| <b>Objective 4 - Solicit input on conceptual PfP framework.</b><br>Task 1 - Solicit comments from IWI Farmer Advisory Group, 2 ND Commodity groups and 2 private businesses.<br>Task 2 - Incorporate PfP framework comments.<br>Group 1, 2, 3, & 4                    | ND Agriculture Community and Private Business PfP Comments |  |  |  |  |  |  |
| <b>Objective 5 - Prepare final PFP Program Report.</b><br>Task 1 - Circulate final Draft PfP concept report with DEQ staff for feedback.<br>Task 2 - convene 3 public forums.<br>Task 4 - Prepare and submit Final PfP Report with Recommendations to DEQ.<br>Group 1 | Final PfP Report Concept and Recommendations               |  |  |  |  |  |  |

- Group 1 - International Water Institute
- Group 2 - ND Landowner Advisory Group
- Group 3 - ND Commodity Advisory Group
- Group 4 - ND Corporate Advisory Group

#### 4.0 COORDINATION PLAN

4.1 The IWI will be the sponsoring organization and provide local match (\$37,419). IWI has a longstanding track record of successful ND 319 program project delivery including PTMApp training and watershed planning support to NSP coordinators. Information from ND's PTMApp will be used to accomplish objective #2. IWI will utilize an existing ND farmer advisory group currently working on a project to develop an agricultural stewardship program funded by the IWI and the Mosaic Company.

#### 5.0 EVALUATION AND MONITORING PLAN

5.1 No environmental data will be collected.

#### 6.0 BUDGET

| ND Pay for Progress Conservation Program |                         |          |          |             |            |               |           |
|--|-------------------------|----------|----------|-------------|------------|---------------|-----------|
| Section 319/non-federal budget           |                         | 2022     | 2023     | Total Costs | Cash Match | In-kind Match | 319 Funds |
| Personnel/Support                        |                         |          |          |             |            |               |           |
|  | Salary/Fringe           | \$42,398 | \$42,398 | \$84,796    | \$0        | \$28,668      | \$56,128  |
|  | Travel                  | \$675    | \$675    | \$1,350     | \$0        | \$1,350       | \$0       |
|  | Telephone/Communication | \$60     | \$60     | \$120       | \$0        | \$120         | \$0       |
|  | Farmer Advisory Group   | \$3,640  | \$3,640  | \$7,280     | \$0        | \$7,280       | \$0       |
| Total 319/Non-Federal Budget             |                         | \$46,773 | \$46,773 | \$93,546    | \$0        | \$37,418      | \$56,128  |

## **7.0 PUBLIC INVOLVEMENT**

The IWI will solicit proposed PfP program feedback from a farmer advisory group, 2 ND commodity groups and 2 private companies doing business in ND with sustainability goals. The IWI has established a farmer advisory group as part of its ongoing Stewardship Program (funded by The Mosaic Company and IWI). This advisory group will enable the IWI to understand and incorporate the necessary farmer perspective into the proposed PfP program framework and recommendations. The IWI will also engage 2 ND commodity groups to provide to provide additional ND agriculture perspective. The IWI also will engage two private companies doing business in ND. Private company investments in sustainability goals provides an opportunity to leverage ND 319 funding to deliver the PfP program. Lastly, the IWI will discuss the PfP with representatives from the DEQ and other (i.e. ND Agriculture Department) and convene two public / open forums to receive proposed PfP program comments.