

# Reclamation Manual

## Directives and Standards

<b>Subject:</b>	Water Conservation Field Services Program
<b>Purpose:</b>	To establish Bureau of Reclamation requirements for reviewing, approving, and administering grants under the Water Conservation Field Services Program (WCFSP). The benefit of this Directive and Standard (D&S) is the establishment of uniform requirements to promote consistency and efficiency in WCFSP implementation.
<b>Authority:</b>	Reclamation Act of June 17, 1902 (ch. 1093, 32 Stat. 388; 43 U.S.C. 371 et seq.) and acts amendatory thereof and supplementary thereto; Reclamation Reform Act of 1982 (96 Stat. 1268; 43 U.S.C. 390jj); and Section 9504 of the SECURE Water Act, Subtitle F of Title IX of Pub. L. 111-11, Omnibus Public Lands Management Act of 2009 (SECURE Water Act) (42 U.S.C. 10364 et seq.).
<b>Approving Official:</b>	Director, Policy and Administration
<b>Contact:</b>	Water Resources and Planning Division, 84-51000

### 1. Introduction.

- A. The primary purposes of the WCFSP are to: assist in developing effective water conservation and management plans; demonstrate conservation technologies; and encourage and promote implementation of water efficiency measures.
- B. The SECURE Water Act provides Reclamation with authority to enter into cost-shared financial assistance agreements with eligible applicants to assist in: developing effective water conservation and management plans; designing water management improvements; demonstrating conservation technologies; and conducting an analysis of system-wide efficiency (system optimization reviews).
- C. This D&S sets forth the requirements, responsibilities, and selection processes for grants conducted under the WCFSP. Other Reclamation requirements concerning financial assistance agreements are described in Reclamation Manual (RM) D&S, *Requirements for Award and Administration of Financial Assistance Agreements (Grants and Cooperative Agreements)* (ACM 01-01), *Merit Based Selection for Financial Assistance* (ACM 01-02), elsewhere in the RM, and are applicable to the WCFSP.

### 2. Applicability.

- A. This D&S applies to all Reclamation employees engaged in the selection, award, and oversight of grants selected under the WCFSP, including: activities that are related to the development of Funding Opportunity Announcements (FOA) under the WCFSP;

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the review and selection of applications for financial assistance; award of funding; and the post-award oversight and monitoring of financial assistance agreements under the WCFSP.

- B. This D&S does not apply to technical assistance. Each regional director may determine the level of technical assistance within their region that is necessary for overall implementation of the WCFSP.
  - C. This D&S does not apply to requirements for water conservation and management plans required to meet statutory and contractual requirements. For information on this topic, consult RM D&S, *Administering Water Conservation Plans Pursuant to Statutory and Contractual Requirements* (WTR 01-01).
3. **Definitions.**
- A. **Applicant.** An entity that submits an application in response to a WCFSP FOA.
  - B. **Application Review Committee (ARC).** The committee established to review and rank all grant applications submitted by eligible applicants for each FOA. The ARC is generally comprised of staff members from Reclamation regional offices, area offices, and field offices. Multiple ARCs may be established to review the applications submitted in response to each WCFSP FOA.
  - C. **Area Coordinator.** Reclamation employee assigned by an area office manager to serve as the primary point of contact providing local leadership and coordination for the WCFSP.
  - D. **Change of Scope.** Modification of a financial assistance agreement to revise the scope of work provided in the original financial assistance agreement.
  - E. **Financial Assistance Agreement.** As defined in ACM 01-01, a financial assistance agreement is an award which provides support in order to accomplish a public purpose authorized by a law or regulation of the United States. Financial assistance awards include grants, cooperative agreements, and other agreements in the form of money or property in lieu of money, by the Federal government to an eligible recipient. The term does not include technical assistance, provided by Reclamation staff, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; or contracts which are required to be entered into and administered under procurement laws and regulations.
  - F. **FOA.** A notice on Grants.gov of a competitive Federal grant funding opportunity available to the public.

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- G. **Grants Officer.** Reclamation employee, typically a regional employee, who has been delegated signature authority to award and oversee WCFSP Grants on behalf of Reclamation (see Paragraph 6.A.(2)(a) of the RM *Delegations of Authority*).
- H. **Grants Officer Technical Representative (GOTR).** Reclamation employee designated by the grants officer to oversee the technical and programmatic aspects of a specific WCFSP Grant.
- I. **Non-Federal Cost-Share.** The contributions provided by non-Federal entities or funding partners to fund the non-Federal share of the project. Non-Federal cost-share under the WCFSP is provided through cash or in-kind contributions, which may be in the form of real property, equipment, supplies and other expendable property, as well as the value of goods and services directly benefiting and specifically identifiable to a WCFSP project.
- J. **On-the-Ground Improvement Projects.** Projects that involve the installation of fixtures that are intended to be permanent and provide measurable/quantifiable benefits. Often times these projects involve ground-disturbing activity. Examples include canal lining and piping, installation of meters, and turf replacement.
- K. **Policy.** Reclamation's Office of Policy and Administration.
- L. **Pre-Award Costs.** The costs associated with WCFSP projects that are incurred prior to the date of execution of the financial assistance agreement, which are consistent with the FOA and determined allowable, allocable, and reasonable by the grants officer.
- M. **Project Costs.** The costs associated with commencing and completing a WCFSP project, including, but not limited to, costs for materials and supplies, and labor costs.
- N. **Recipient.** An entity that is selected to receive funding through the WCFSP and enters into a financial assistance agreement with Reclamation to complete a WCFSP project.
- O. **Reclamation WCFSP Coordinator.** Reclamation employee assigned by the Policy Director who provides Reclamation-wide leadership and coordination for the WCFSP.
- P. **Red-Flag Review.** The review conducted by Reclamation offices following the results of the ARC review to identify any reasons why a proposed project would not be feasible or otherwise advisable, including permitting issues, legal issues, environmental and/or cultural resources compliance issues, past performance, or financial position, and to address any specific concerns or questions raised by members of the ARC.
- Q. **Regional Coordinator.** Reclamation employee assigned by a regional director to serve as the region's primary point of contact, providing regional leadership and coordination for the WCFSP.

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- R. **System Optimization Review (SOR).** A review to assess the potential for water management improvements and to identify a plan of action that contains recommendations for implementing specific improvements that have the potential to enhance water management.
- S. **WCFSP Grant.** A Federal financial assistance agreement entered into between Reclamation and a WCFSP Grant recipient that provides funding to assist the recipient in: developing effective water conservation and management plans; designing water management improvements; demonstrating conservation technologies; and conducting an analysis of system-wide efficiency (system optimization review).
4. **Responsibilities.**
- A. **Commissioner.** The Commissioner is responsible for determining the appropriate emphasis of WCFSP Grants as a mission goal within Reclamation's overall strategic plan and taking such measures as are necessary for the overall implementation of WCFSP Grants.
- B. **Policy Director.** The Policy Director is responsible for:
- (1) overseeing the coordination of the WCFSP across Reclamation and taking such measures as are necessary for the overall implementation of the WCFSP;
  - (2) providing a coordinated response to all requests for red-flag review; and
  - (3) assigning a Reclamation WCFSP Coordinator.
- C. **Regional Directors.** Regional directors are responsible for:
- (1) determining the appropriate emphasis of the WCFSP as a priority within each respective region and taking such measures as are necessary for the overall implementation of the WCFSP (including allocation of staff and other resources);
  - (2) overseeing the execution of WCFSP Grants on a programmatic level, in accordance with this D&S;
  - (3) assigning a regional coordinator; and
  - (4) ensuring that area office managers identify area office coordinators, as appropriate.
- D. **Reclamation WCFSP Coordinator.** The Reclamation WCFSP Coordinator is responsible for:
- (1) communicating Reclamation-wide guidance to the regional coordinators for consistent program implementation in administering financial assistance;

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- (2) reviewing regional FOAs and projects proposed by the regions during the red-flag review; and
  - (3) providing policy advice regarding the eligibility of project types and individual projects for alignment with program goals, other WaterSMART programs, and the SECURE Water Act.
- E. **Regional Coordinators.** Regional coordinators are responsible for:
- (1) coordinating oversight and management of all WCFSP activities within their respective regions; and
  - (2) taking such measures as are necessary for implementation of WCFSP Grants within their regions.
- F. **ARC.** The ARC is responsible for reviewing all accepted WCFSP Grant applications and ranking them in accordance with the applicable WCFSP Grant evaluation criteria.
- G. **Grants Officer.** In support of the competitive selection of WCFSP Grants, the grants officer is responsible for:
- (1) ensuring that all WCFSP Grant FOAs comply with all financial assistance requirements;
  - (2) posting WCFSP Grant FOAs on Grants.gov;
  - (3) conducting an initial screening of all applications submitted in response to the FOAs;
  - (4) serving as the point of contact for the ARC during the ARC review;
  - (5) serving as the point of contact for applicants throughout the selection process;
  - (6) ensuring that the announcement and selection of WCFSP projects are conducted in accordance with government-wide, Departmental, and Reclamation requirements related to financial assistance; and
  - (7) the award and oversight of specific WCFSP Grants, including ensuring WCFSP Grant recipient compliance with all applicable laws and regulations.
- H. **GOTR.** In addition to the responsibilities delegated to the GOTR by the grants officer, the GOTR is also responsible for project coordination and reporting as described within Paragraph 7 of this D&S and any other program management support activities specified by the regional coordinator.

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- I. **Area Coordinator.** Area coordinators are responsible for:
  - (1) coordinating oversight and management of all WCFSP activities within their respective areas;
  - (2) taking such measures as are necessary for implementation of WCFSP Grants within their areas; and
  - (3) developing an active local program designed to meet the objectives of the WCFSP consistent with the regional director's goals.
  
5. **FOA.** Each regional director will determine which FOA(s) is/are made available in a given fiscal year.
  - A. **Development of FOAs.** Each region will develop an FOA(s) in accordance with regional needs and priorities, within the scope of eligible activities described in Paragraph 6.C. The FOA(s) will specify eligible applicants, eligible activities, funding availability, evaluation criteria, the application process, and additional requirements.
  - B. **Evaluation Criteria.** Policy, in coordination with the regions, will develop standard evaluation criteria for each grant category and will review/revise the criteria annually. Each regional director will determine the scoring weight given to each evaluation criterion.
  
6. **Considerations for Funding.** To be eligible for funding, Reclamation must verify that an application meets the requirements of the FOA, including submission by an eligible applicant and describing an eligible project. These requirements are described in further detail as follows:
  - A. **Eligible Applicant.** Specific information regarding eligible applicants will be included in each FOA consistent with regional goals and priorities, and the following requirements:
    - (1) Under the SECURE Water Act, applicants eligible for funding include:
      - (a) States, Indian Tribes, irrigation districts, water districts; and
      - (b) other organizations with water or power delivery authority.
    - (2) Applicants that have submitted an application but are subsequently determined to be ineligible for funding will be informed of that determination by the grants officer in writing within the timeframe set in the FOA.

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### B. Application Meets FOA Requirements.

- (1) **Timely.** Reclamation will consider only those applications submitted by the application deadline provided in the FOA, unless it can be determined that a delay was caused by Federal government mishandling.
- (2) **Complete.** Reclamation will consider only those applications that include all of the information required in the FOA.
- (3) **Funding Limit.**
  - (a) The maximum amount of funding an entity may receive under the WCFSP will not exceed \$100,000 in any fiscal year.
  - (b) Each WCFSP FOA will specify, as determined by the regional director, the maximum amount an entity may receive, not to exceed the \$100,000 annual maximum established in Paragraph 6.B.(3)(a).

### C. Eligible Activities. Each FOA will specify eligible activities in accordance with the SECURE Water Act, as described below. Reclamation will only include the following as eligible activities supported by the WCFSP:

- (1) **Water Conservation and Management Planning.** Water conservation and management planning activities are those inventory, evaluation, or other planning functions required to develop an effective water conservation and management plan.
- (2) **Designing Water Management Improvements.** Design of improvement projects such as pipelines, canal lining, water measurement structures, or other water management improvement projects.
- (3) **Demonstrating Conservation Project Technologies.** A project to carry out the limited application of a particular technology in a new way, or in a new setting, with the intent of reporting the results to others for wider adoption.
- (4) **SORs.** SORs include an analysis of system-wide efficiency, focused on improving the effectiveness and operations of a delivery system, district, or watershed. The SOR results in a plan of action that focuses on future water management improvements.

### D. Ineligible Activities. Each FOA will specify ineligible activities for financial assistance. On-the-ground improvement projects are not eligible for funding consideration under the WCFSP and will be explicitly stated as ineligible in any WCFSP FOA.

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- E. **Cost-Share.** Reclamation requires that at least 50 percent of project costs are cost-shared with non-Federal funding provided by the recipient or third-party partners. Reclamation will contribute up to 50 percent of the project costs up to the maximum funding amount established in each FOA.
- (1) **Securing Non-Federal Cost Share.** Reclamation will not make funds available for a WCFSP Grant project until the recipient has secured non-Federal cost-share. Reclamation will execute a financial assistance agreement once non-Federal cost share has been secured or Reclamation determines that there is sufficient evidence and likelihood that non-Federal cost share will be available to the applicant subsequent to executing the agreement.
  - (2) **Pre-Award Costs.**
    - (a) The FOA will describe in detail the conditions under which pre-award costs incurred by an applicant may be included as project costs.
    - (b) The grants officer will review any proposed pre-award costs described in an application to determine if they are allowable, allocable, and reasonable in accordance with the SECURE Water Act and applicable Office of Management and Budget cost principles.
7. **Selection and Award Process for Financial Assistance.**
- A. **Selection Process.** Reclamation's process for selecting projects for WCFSP financial assistance will adhere to the competitive selection process described in ACM 01-02. Additional WCFSP requirements are as follows:
- (1) **Preparation of the FOA.** WCFSP FOAs will be prepared consistent with the goals of the SECURE Water Act, Departmental guidance, regional guidance, area priorities, and this D&S, subject to available appropriations. Each region will determine the FOAs that are made available each fiscal year.
  - (2) **Posting the FOA.** All WCFSP FOAs will be posted on Grants.gov.
  - (3) **ARC Review.** The ARC will have consensus sessions after the independent reviewing/scoring to develop a consensus ranking and recommend specific projects to be further considered for award.
  - (4) **Red-Flag Review.** To ensure that all relevant information about a potential applicant or project is considered prior to award of financial assistance, each region will initiate a red-flag review following the ARC review. Red-flag review will consist of the following:
    - (a) The regional director will transmit a list of projects being considered for award of financial assistance to the Policy Director.



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- (b) The Policy Director will coordinate a review with Program and Budget and the Mission Support Organization, and will provide a consolidated response to the regional director.
- B. **Pre-Award.** Reclamation's process for awarding selected projects for WCFSP Grant funding will adhere to ACM 01-01. Additional WCFSP requirements are as follows:
- (1) **Results.** If the results of pre-award reviews and clearances conducted by the grants officer are unsatisfactory, the grants officer will consult with the regional coordinator, and, as necessary, the GOTR, and will determine whether to remove the project from further consideration for funding.
  - (2) **Revisions to Scope of Work Prior to Award.** If a pre-award revision to the Scope of Work is proposed, the grants officer will inform the regional coordinator. The regional coordinator and/or area coordinator, in coordination with the ARC (if necessary), will then determine whether any proposed revisions are likely to affect project benefits and costs that were originally evaluated. If necessary, the regional coordinator will recommend reconsideration of award of funding for the revised project.
  - (3) **Environmental and Cultural Resources Compliance.** Although on-the-ground improvement projects are not eligible for financial assistance (see Paragraph 6.D.), eligible planning activities (see Paragraph 6.C.) may require ground-disturbing activities. Reclamation will authorize those ground-disturbing activities to proceed on a WCFSP Grant project only after environmental and cultural resources compliance is complete. The notice-to-proceed may be issued prior to award, at award, or post-award, at the discretion of the grants officer. Reclamation will determine the need and extent of required environmental and cultural resources compliance and will communicate with a recipient regarding the estimated environmental and cultural resources compliance cost prior to award. The amount obligated to the agreement (i.e., the amount available for reimbursement) will be the amount of award (see Paragraph 7.B.(5)) less the anticipated environmental and cultural resources compliance cost.
  - (4) **Financial Assistance Agreement.** In addition to the standard requirements for financial assistance agreements executed by Reclamation, financial assistance agreements executed in support of WCFSP Grants must include major milestones and estimated dates for completion within the Scope of Work section.
  - (5) **Amount of Award.** Reclamation will not award funding for WCFSP projects more than the amount requested in the application or included in the financial assistance agreement. (See Paragraph 6.B.(3).)

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- (6) **Performance Period.** The financial assistance agreement effective and completion dates for WCFSP Grants must be consistent with the project durations established in the FOA unless a time extension is approved by the grants officer. (See Paragraph 7.C.(3).)
- C. **Post Award.** Reclamation's post-award process will adhere to ACM 01-01 and ACM 01-02. Additional WCFSP requirements are as follows:
- (1) **Final Report.** In addition to final reporting requirements applicable to all financial assistance agreements under ACM 01-01, Reclamation will ensure that the FOA describes any additional final reporting requirements applicable to WCFSP Grant recipients.
- (2) **Communication of Significant Project Impacts.**
- (a) The grants officer and GOTR will ensure that the regional coordinator and area coordinator are informed (e.g., email communication) of any significant issues that arise during post-award administration, performance, or close-out of the WCFSP Grant. Issues that may arise include: recipient noncompliance with the terms and conditions of the award; substantive changes to the scope of work, budget, or schedule; substantive changes to the estimated benefits; questionable or disallowed costs; or other such issues that may impact the success of the project activities funded by the WCFSP Grant.
- (b) Based on information provided by the grants officer and/or the GOTR, the regional coordinator will determine whether a formal request to modify the financial assistance agreement must be made under Paragraph 7.C.(3) or whether other action will be recommended to the regional director.
- (3) **Modifications (Changes of Scope and Time Extensions).** Projects are required to be completed within the scope and timeframe stated in the financial assistance agreement and shall not exceed the stated Federal cost-share. In the event that a WCFSP Grant recipient is unable to complete the entire project without exceeding the project costs or within the timeframe described in the financial assistance agreement, the requirements under ACM 01-01 and ACM 01-02 shall apply. Each region may establish procedures for additional coordination between the grants officer and regional coordinator and/or area coordinator prior to a grants officer approving a modification to the financial assistance agreement.
- (4) **Recipient Noncompliance.** The grants officer will determine whether failure by the WCFSP Grant recipient to comply with the terms and conditions of the financial assistance agreement, such as noncompliance with the reporting requirements, requires suspension and/or termination of the agreement. Reclamation will consider recipient noncompliance related to a Federal grant during any future red-flag reviews conducted as part of the WCFSP and other WaterSMART programs. (See 2 CFR §200.338 - 2 CFR §200.342.)

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- (5) **Expenditures.** In general, and as practical based on the project, the grants officer and the GOTR will ensure that the non-Federal share of project costs is expended at the same or greater rate as the Federal share of project costs, and that costs are appropriate and accurate.

## RECLAMATION MANUAL TRANSMITTAL SHEET

Effective Date: \_\_\_\_\_

Release No. \_\_\_\_\_

Ensure all employees needing this information are provided a copy of this release.

### Reclamation Manual Release Number and Subject

### Summary of Changes

NOTE: This Reclamation Manual release applies to all Reclamation employees. When an exclusive bargaining unit exists, changes to this release may be subject to the provisions of collective bargaining agreements.

### Filing instructions

Remove Sheets

Insert Sheets

All Reclamation Manual releases are available at <http://www.usbr.gov/recman/>

Filed by: \_\_\_\_\_

Date: \_\_\_\_\_