

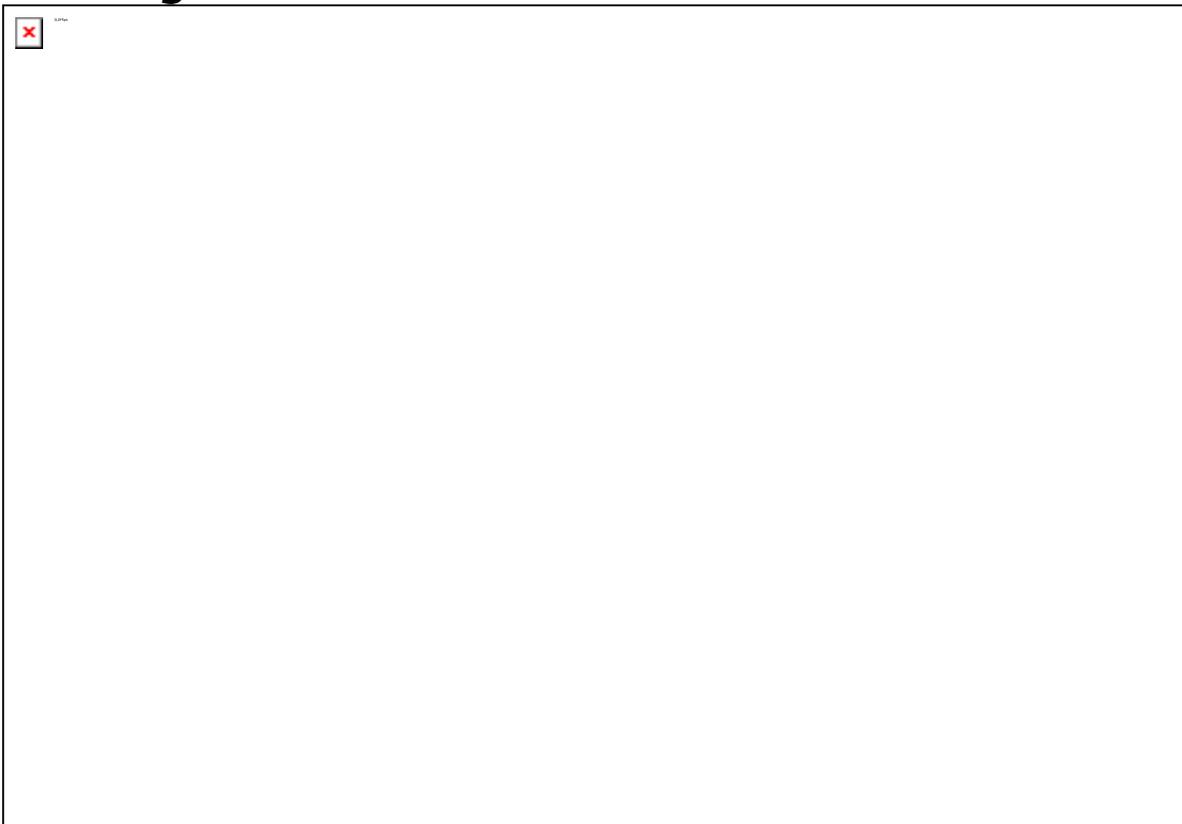
RECLAMATION

Managing Water in the West

Funding Opportunity Announcement No. R10SF80342

WaterSMART:

Advanced Water Treatment Pilot and Demonstration Project Grants



U.S. Department of the Interior
Bureau of Reclamation
Policy and Administration
Denver, Colorado

April 2010

Mission Statements

The mission of the Department of the Interior is to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Indian Tribes and our commitments to island communities.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

Synopsis

Federal Agency Name:	Department of the Interior, Bureau of Reclamation, Policy and Administration
Funding Opportunity Title (FOA):	WaterSMART: Advanced Water Treatment Pilot and Demonstration Project Grants
Announcement Type:	Funding Opportunity Announcement (FOA)
Funding Opportunity Number:	R10SF80342
Catalog of Federal Domestic Assistance (CFDA) Number:	15.507
Dates: (See FOA Sec. IV.B)	Application due date: June 29, 2010, 4:00 p.m. Mountain Daylight Time
Eligible Applicants: (See FOA Sec. III.A)	Irrigation and water districts, tribal water authorities, state agencies, and other organizations with water or power delivery authority located in the Western United States or United States Territories as identified in the Reclamation Act of June 17, 1902, as amended
Recipient Cost Share: (See FOA Sec. III.E)	50 percent or more of project costs
Federal Funding Amount: (See FOA Sec. II.B)	Up to \$600,000 per agreement
Estimated Number of Agreements to be Awarded: (See FOA Sec. II.B)	3-5
Total Amount of Funding Available for Award: (See FOA Sec. II.A)	Up to \$2,000,000

Application Checklist

The following table contains a summary of the information that the applicant is required to submit with a WaterSMART Grant application.

√	What to submit	Required content	Form or format	When to submit
	Cover page	See Sec. IV.D.2.a.	Form SF 424, available at: http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1 Page 16	*
	Assurances	See Sec. IV.D.2.b.	Form SF 424B or SF 424D, as applicable, available at: http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1 Page 16	*
	Title page	See Sec. IV.D.2.c.	Page 16	*
	Table of contents	See Sec. IV.D.2.d.	Page 16	*
	Technical proposal and evaluation criteria:	See Sec. IV.D.2.e.	Page 16	*
	• Executive summary	See Sec. IV.D.2.e.(1)	Page 16	*
	• Background data	See Sec. IV.D.2.e.(2)	Page 17	*
	• Technical project description	See Sec. IV.D.2.e.(3)	Pages 17	*
	• Evaluation criteria	See Sec. IV.D.2.e.(4)	Pages 17-21	*
	Description of potential environmental impacts	See Sec. IV.D.2.f.	Page 22	*
	Required permits and approvals	See Sec. IV.D.2.g.	Page 23	*
	Funding plan	See Sec. IV.D.2.h.	Page 23	*
	Commitment letters	See Sec. IV.D.2.h.	Page 23	**
	Official resolution	See Sec. IV.D.2.i.	Page 24	**
	Project budget proposal:	See Sec. IV.D.2.j.	Pages 25-29	*
	• General requirements	See Sec. IV.D.2.j.(1)	Page 25	*
	• Budget format	See Sec. IV.D.2.j.(2)	Page 25	*
	• Budget narrative	See Sec. IV.D.2.j.(3)	Page 25	*
	• Budget form	See Sec. IV.D.2.j.(4)	Form SF 424A or SF 424C, as applicable, available at: http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1 Page 28	*

* Submit materials with your application on June 29, 2010

** Documents should be submitted with your application; however, please refer to the applicable Section of the FOA for extended submission dates.

Abbreviations and Acronyms

af	acre-feet
AOR	Authorized Organization Representatives
ARC	Application Review Committee
AWT	Advanced water treatment
CE	Categorical Exclusion
CEC	Categorical Exclusion Checklist
CCR	Central Contractor Registration
CFDA	Catalog of Federal Domestic Assistance
DUNS	Data Universal Number System
EA	Environmental Assessment
E-Biz POC	E-Business Point of Contact
EIN	Employer Identification Number
EIS	Environmental Impact Statement
ESA	Endangered Species Act
FAQ	Frequently Asked Question
FOA	Funding Opportunity Announcement
FONSI	Finding of No Significant Impact
GO	Grants Officer
gpm	gallons per minute
IRS	Internal Revenue Service
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
O&M	Operation and maintenance
OMB	Office of Management and Budget
OM&R	Operations, Maintenance, and Replacement
TIN	Taxpayer Identification Number
USFWS	U.S. Fish and Wildlife Service
WaterSMART	Sustain and Manage America's Resources for Tomorrow

Contents

	<i>Page</i>
Synopsis	iii
Application Checklist	iv
Abbreviations and Acronyms	v
Contents	vii
Section I—Funding Opportunity Description.....	1
A. <i>WaterSMART Grants: Advanced Water Treatment Pilot and Demonstration Project Grants</i>	1
B. Objective of Funding Opportunity Announcement.....	1
C. Program Authority.....	3
D. FAQs	3
Section II— Award Information	5
A. Total Project Funding.....	5
B. Project Funding Limitations.....	5
C. Reclamation Responsibilities	5
D. Award Date	6
Section III— Eligibility Information	7
A. Eligible Applicants.....	7
B. Eligible Projects	7
1. Task Area A—Pilot Scale Projects	8
2. Task Area B—Demonstration Scale Projects	8
C. Ineligible Projects.....	9
D. Length of Projects	9
E. Cost-Sharing Requirement	9
1. Regulations	9
2. In-Kind Contributions.....	10
3. Pre-Award Costs	11
4. Indirect Costs	11
F. Other Requirements.....	12
1. Title to Improvements [Public Law 111-11, Section 9504(a) (3)(D)]	12
2. Operation and Maintenance Costs [Public Law 111-11, Section 9504(a)(3)(E)(iv)]	12
3. Liability [Public Law 111-11, Section 9504(a)(3)(F)]	12
Section IV—Application and Submission Information.....	13
A. Address to Request Application Package	13
B. Application Submission Date and Time.....	13
C. Application Delivery Instructions	13
D. Instructions for Submission of Project Application.....	14

1. Application Format and Length	15
2. Application Content	15
a. SF-424 Application Cover Page.....	16
b. SF-424 Assurances.....	16
c. Title Page	16
d. Table of Contents	16
e. Technical Proposal and Evaluation Criteria.....	16
f. Description of Potential Environmental Impacts.....	22
g. Required Permits or Approvals.....	23
h. Funding Plan and Letters of Commitment.....	23
i. Official Resolution.....	24
j. Budget Proposal.....	25
E. Funding Restrictions.....	28
Section V—Application Review Information.....	31
A. Review and Selection Process.....	31
1. First-Level Screening.....	31
2. Second-Level Evaluation (Technical Review)	32
3. Third-Level Evaluation (Managerial Review).....	32
B. Pre-Award Clearances and Approvals	32
Section VI—Award Administration Information.....	35
A. Award Notices.....	35
B. Award Document	35
C. Reporting Requirements and Distribution.....	35
1. Financial Reports	35
2. Program Performance Reports.....	35
3. Significant Development Reports	36
Section VII—Agency Contacts	37
Section VIII—Other Information	39
A. Environmental Compliance Requirements	39
1. Proposal Evaluation Process	39
2. Initially Recommended Projects	40
3. Overview of Relevant Environmental Laws.....	40
a. National Environmental Policy Act	41
b. National Historic Preservation Act	42
c. Endangered Species Act.....	43
B. General Provisions	44
C. Electronic Application through Grants.gov	45
1. Applying for Funds Online at Grants.gov.....	45
2. Registering to Use Grants.gov (1-3 week process).....	45

Section I—Funding Opportunity Description

A. *WaterSMART Grants: Advanced Water Treatment Pilot and Demonstration Project Grants*

The Nation faces an increasing set of water resource challenges. Aging infrastructure, rapid population growth, depletion of groundwater resources, impaired water quality associated with particular land uses and land covers, water needed for human and environmental uses, and climate variability and change all play a role in determining the amount of fresh water available at any given place and time. Water shortage and water-use conflicts have become more commonplace in many areas of the United States, even in normal water years. As competition for water resources grows—for irrigation of crops, growing cities and communities, energy production, and the environment—the need for information and tools to aid water resource managers also grows. Water issues and challenges are increasing across the Nation but particularly in the West due to prolonged drought.

These water issues are exacerbating the challenges facing traditional water management approaches which by themselves no longer meet today's needs. The Department's WaterSMART (Sustain and Manage America's Resources for Tomorrow) program is working to achieve a sustainable water strategy to meet the Nation's water needs.

Technical developments in the field of water treatment permit the use of some impaired waters that previously were unusable. Through this WaterSMART Grant opportunity, Reclamation is making available cost-shared funding on a competitive basis for pilot and demonstration projects that will accelerate the adoption and use of advanced water treatment (AWT) technologies to increase water supply.

For further information on the WaterSMART Program, see <http://www.usbr.gov/WaterSMART/>.

B. Objective of Funding Opportunity Announcement

The objective of this FOA is to invite States, Indian Tribes, irrigation districts, water districts, and other organizations with water or power delivery authority to leverage their money and resources by cost sharing with Reclamation on pilot and demonstration projects that accelerate the adoption and use of AWT technologies to increase water supply. Projects funded under this FOA will encourage pilot and demonstration projects that address the technical, economic, and

environmental viability of treating and using brackish groundwater, seawater, impaired waters, or otherwise creating new water supplies within a specific locale.

The adoption and use of AWT is a crucial element of any plan to address Western water issues. With leveraged water sustainability grants, an important step will be taken towards increasing water supply in the West.

Specific objectives include:

- **Water Supply:** Increasing the usable water supply in the U.S. through the treatment of impaired waters.
- **Environment:** Understanding the environmental impacts of AWT and developing approaches to minimize these impacts relative to other water supply alternatives. This may include issues such as: concentrate management in coastal and inland settings; toxicity due to concentrate disposal; renewable; seawater intakes and outfall; fate and health impacts of AWT related contaminants; brackish groundwater development; and responses to climate change.
- **Economics:** Reducing the financial costs of AWT and water purification technologies so that they are attractive options relative to other alternatives in locations where traditional sources of water are inadequate. This may include actions such as: concentrate management; use of waste heat; determining the impact of energy pricing; integrating renewable energy; and reducing primary energy usage.
- **Technology:** Creating new and innovative technologies and improving the reliability of existing processes.
- **Efficiency:** Developing methods to make AWT more energy efficient.
- **Health:** Developing methods to ensure AWT technologies have acceptable impacts on human health.
- **Multiuse:** Expanding the use of AWT processes for multiple uses such as municipal water, wastewater reuse, industrial, and agricultural uses.
- **Technology Transfer:** Ensuring full transfer of knowledge to encourage the widespread use of technology.

C. Program Authority

This FOA is issued under the authority of the Section 9504 of the Secure Water Act, Subtitle F of Title IX of the Omnibus Public Land Management Act of 2009, P.L. 111-11(42 USC 10364).

D. FAQs

A list of Frequently Asked Questions (FAQs) about WaterSMART and the application process can be found on-line at <<http://www.usbr.gov/WaterSMART/>>. The FAQs list will be updated periodically during the application period.

Section II— Award Information

A. Total Project Funding

It is expected that a total of up to \$2,000,000 in Federal funds will be available for project awards under this FOA. All applications for the two task areas will be reviewed and ranked together, according to their merit.

B. Project Funding Limitations

Reclamation's share of any one proposed project shall not exceed 50 percent of the total project costs. Up to \$600,000 in Federal funding will be available for each project award. Between 3 and 5 awards are expected to be made under this FOA; however, Reclamation reserves the right to make additional awards at a later date, depending on the availability of funding.

C. Reclamation Responsibilities

1. Reclamation Involvement

Project awards will be made through grants or cooperative agreements as applicable to each project. If a cooperative agreement is awarded, the recipient should expect Reclamation to have substantial involvement in the project. Substantial involvement by Reclamation will include:

- **Collaboration and** participation with the recipient in the management of the project and close oversight of the recipient's activities to ensure that the program objectives are being achieved.
- **Oversight** may include review, input, and approval at key interim stages of the project.

2. Technical Assistance

At the request of the recipient, Reclamation may provide technical assistance after award of the project. If you receive Reclamation's assistance, you must account for the cost in your budget. To discuss assistance available and the cost, contact your local Reclamation office, which can be identified at

<<http://www.usbr.gov/main/about>>.

D. Award Date

It is expected that the names of potential award recipients will be announced in August 2010. Within one to three months after the initial announcement, assistance agreements will be awarded to applicants that successfully pass all pre-award reviews and clearances.

Section III— Eligibility Information

A. Eligible Applicants

In accordance with P.L. 111-11, Section 9502, eligible applicants include:

- State or Territory agencies or departments with water or power delivery authority
- Federally recognized Indian tribes with water or power delivery authority. The term “Indian tribe” has the meaning given in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)
- Irrigation and water districts
- Municipal water or power delivery authorities
- Other organizations with water or power delivery authority

Applicants must also be located in the western U.S. or Territories as identified in the Reclamation Act of June 17, 1902, as amended and supplemented; specifically, Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands.

Those not eligible include entities without water or power delivery authority, such as:

- State governmental entities without water or power delivery authority
- Federal governmental entities
- Institutions of Higher Education
- Individuals

B. Eligible AWT Projects

All projects must be completed by September 30, 2012 unless otherwise agreed upon.

Emphasis will be directed toward applications for pilot and demonstration projects that address the technical and economic viability of treating and using brackish groundwater, seawater, impaired waters, or otherwise creating new water supplies within a specific locale.

This funding opportunity is available for pilot and demonstration projects that will help develop new water supplies to address water supply imbalances. AWT technologies generally include methods that remove salt and other difficult to remove dissolved and suspended matter, including viruses and bacteria that are not removed by conventional treatment (e.g., simple screening, chlorination, coagulation/flocculation, chloramination, or ozonation). Pilot and demonstration projects are used to determine the physical and economic viability and suitability of a process. Treatment flows are a fraction of the intended final installation (full-scale plant) and flow rates generally range from 1 to 500 gallons per minute (gpm).

Anticipated proposals include projects to demonstrate reverse osmosis, nanofiltration, microfiltration, or other membrane processes, including electrodialysis, pretreatment processes, advanced oxidation processes, disinfection, biological processes, concentrate disposal, or other AWT processes. The purpose of these projects is to demonstrate the technical and economic viability of making beneficial use of an impaired water source within a specific locale. All projects must be completed by September 30, 2012, unless otherwise agreed upon.

Funding is not available for the construction of a full-scale plant under this opportunity.

1. Task Area A—Pilot Scale Projects

Pilot scale projects should be preceded by research studies that demonstrate the viability of the technology and a high level of success. Pilot scale projects are used to determine the physical and economic suitability of a process and generally involve flow rates between 1 and 20 gpm on natural water sources. Pilot scale projects generally include the development of capital costs and operations and maintenance (O&M) costs.

2. Task Area B—Demonstration Scale Projects

Demonstration scale projects should be preceded by a pilot scale project that demonstrates that the process is physically and economically suitable, and is ready for design, construction, and testing.

Demonstration scale projects are used to refine cost estimates and demonstrate the technology to the public. Demonstration scale projects typically involve flows from 20 to 500 gpm on natural water sources located at a realistic field setting. Capital costs and O&M costs are developed in detail. Results should show the

marketability of the demonstration unit or the required upgrades to develop a commercially viable product.

C. Ineligible Projects

Projects that are considered normal Operations, Maintenance, and Replacement (OM&R) are not eligible. OM&R is described as system improvements that replace or repair existing infrastructure or function without providing increased efficiency or effectiveness of water distribution over the expected life of the improvement.

Examples of ineligible OM&R projects include:

- Replacing malfunctioning components of an existing facility with the same components
- Improving an existing facility to operate as originally designed
- Performing an activity on a recurring basis even if that period is extended (e.g., 10-year interval)

D. Length of AWT Projects

Proposed projects should be completed by September 30, 2012. Applications for projects that will not be completed by September 30, 2012, will be considered if it can be demonstrated that there will be measureable accomplishments each year.

E. Cost-Sharing Requirement

Applicants must be willing to cost share 50 percent or more of the total project costs. Cost sharing may be made through cash or in-kind contributions from the applicant or third-party partners. Cost share funding from sources outside the applicant's organization, e.g., loans or state grants, is to be secured and available to the applicant by no later than September 1, 2010. Funding commitment letters must be submitted in accordance with Section IV.D, and contain the information stated at Section IV.D.2.h. Applicant cost sharing in excess of 50 percent will be more favorably ranked during the selection process.

1. Regulations

All cost-share contributions must meet the criteria established in the Office of Management and Budget's (OMB) administrative and cost principles circulars that apply to the applicant. These circulars are available at <http://www.whitehouse.gov/omb/circulars/>.

- **STATE, LOCAL, AND TRIBAL GOVERNMENTS** that are recipients or subrecipients shall use:
 - Circular A-87, revised May 10, 2004, “Cost Principles for State, Local, and Indian Tribal Governments”
 - Circular A-102, as amended August 29, 1997, “Grants and Cooperative Agreements with State and Local Governments” (Grants Management Common Rule, Codification by Department of Interior, 43 CFR 12, Subpart C)
 - Circular A-133, revised June 27, 2003, “Audits of States, Local Governments, and Non-Profit Organizations”
- **NONPROFIT ORGANIZATIONS** that are recipients or subrecipients shall use:
 - Circular A-110, as amended September 30, 1999, “Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations” (Codification by Department of Interior, 43 CFR 12, Subpart F)
 - Circular A-122, revised May 10, 2004, “Cost Principles for Non-Profit Organizations”
 - Circular A-133, revised June 27, 2003, “Audits of States, Local Governments, and Non-Profit Organizations”
- **ORGANIZATIONS OTHER THAN THOSE INDICATED ABOVE** that are recipients or subrecipients shall use the basic principles of OMB Circular A-110 (Codification by Department of Interior, 43 CFR 12, Subpart F), and cost principles shall be in accordance with 48 CFR Subpart 31.2, titled “Contracts with Commercial Organizations,” which is available at <http://www.gpoaccess.gov/ecfr/>

Additionally, please reference 43 CFR 12.77 for further regulations that cover the award and administration of subawards by State governments.

2. In-Kind Contributions

In-kind contributions constitute the value of noncash contributions that benefit a federally assisted project. These contributions 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 the project or program. The cost or value of in-kind contributions that have been or

will be relied on to satisfy a cost-sharing or matching requirement for another Federal financial assistance agreement, a Federal procurement contract, or any other award of Federal funds may not be relied on to satisfy the cost-share requirement for WaterSMART Grant applications.

3. Pre-Award Costs

AWT project costs that have been incurred prior to the date of award but after the date of authorization and appropriation for this Program may be submitted for consideration as an allowable portion of the recipient's cost share for the project.

In no case will pre-award costs incurred prior to October 28, 2009, be considered for cost share purposes.

Reclamation will review the proposed pre-award costs to determine if they are allowable in accordance with the authorizing legislation and applicable cost principles. To be considered allowable, any pre-award costs proposed for consideration under the new awards must comply with all applicable requirements under this FOA.

4. Indirect Costs

Indirect costs that will be incurred during the development or construction of a project, which will not otherwise be recovered, may be included as part of the applicant's cost share. Indirect costs are those that are both:

- Incurred for a common or joint purpose benefiting more than one cost objective
- Not readily assignable to any one cost objective

For further information on indirect costs, refer to the applicable OMB cost principles circular referenced above.

F. Requirements for Agricultural Operations [Public Law 111-11, Section 9504(a)(3)(B)]

In accordance with Section 9504(a)(3)(B) of Public Law 111-11, grants and cooperative agreements under this authority will not be awarded for an improvement to conserve irrigation water unless the applicant agrees not to do either:

- Use any associated water savings to increase the total irrigated acreage of the eligible applicant

- Otherwise increase the consumptive use of water in the operation of the eligible applicant, as determined pursuant to the law of the State in which the operation of the eligible applicant is located

G. Other Requirements

Applicants shall adhere to Federal, State, Territorial, and local laws, regulations, and codes, as applicable, and shall obtain all required approvals and permits. Applicants shall also coordinate and obtain approvals from site owners and operators.

1. Title to Improvements [Public Law 111-11, Section 9504(a)(3)(D)]

If the activities funded through an agreement awarded under this FOA result in an infrastructure improvement to a federally owned facility, the Federal Government shall continue to hold title to the facility and improvements to the facility.

2. Operation and Maintenance Costs [Public Law 111-11, Section 9504(a)(3)(E)(iv)]

The non-Federal share of the cost of operating and maintaining any infrastructure improvement funded through an agreement awarded under this FOA shall be 100 percent.

3. Liability [Public Law 111-11, Section 9504(a)(3)(F)]

- a. **In General.** Except as provided under chapter 171 of title 28, United States Code (commonly known as the “Federal Tort Claims Act”), the United States shall not be liable for monetary damages of any kind for any injury arising out of an act, omission, or occurrence that arises in relation to any facility created or improved through an agreement awarded under this FOA, the title of which is not held by the United States.
- b. **Tort Claims Act.** Nothing in this section increases the liability of the United States beyond that provided in chapter 171 of title 28, United States Code (commonly known as the “Federal Tort Claims Act”).

Section IV—Application and Submission Information

A. Address to Request Application Package

This document contains all information, forms, and electronic addresses required to obtain the information required for submission of an application.

If you are unable to access this information electronically, you can request paper copies of any of the documents referenced in this FOA by contacting:

By mail: Bureau of Reclamation
Acquisition Operations Group
Attn: Stephanie Bartlett
Mail Code: 84-27810
P.O. Box 25007
Denver CO 80225

E-mail: sbartlett@usbr.gov

Phone: 303-445-2025

B. Application Submission Date and Time

Application submission date deadline:

- June 29, 2010, 4:00 p.m. Mountain Daylight Time

Proposals received after the application deadline will not be considered unless it can be determined that the delay was caused by Federal government mishandling or by the Grants.gov application system.

C. Application Delivery Instructions

Applications may be submitted electronically through <http://www.grants.gov> or hard copies may be submitted as follows:

By mail:

Bureau of Reclamation
Acquisition Operations Group
Attn: Stephanie Bartlett
Mail Code: 84-27810
P.O. Box 25007
Denver CO 80225

Express delivery:

Bureau of Reclamation
Attn: Stephanie Bartlett, Mail Code: 84-27810
Denver Federal Center, Bldg. 67 Rm. 152
6th Avenue and Kipling Street
Denver CO 80225
Telephone: 303-445-2025

D. Instructions for Submission of AWT Project Application

Each applicant shall submit an application in accordance with the instructions contained in this section.

- Applicants shall submit an **original and one copy** of all application documents for hardcopy submissions. Each document should be clearly identified as the “ORIGINAL” or as a “COPY.”
- Please do not use “comb,” “spiral,” or adhesive methods to bind the documents.
- Hard copy applications may be submitted by mail or express methods to the addresses listed in Section IV.C, above.
- Materials arriving separately will not be included in the application package and may result in the application being rejected or not funded.
- Faxed copies of application documents will not be accepted.
- Do not include a cover letter or company literature/brochure with the application. All pertinent information must be included in the application package.
- Electronic applications must be submitted through Grants.gov at <http://www.grants.gov>.

- Please note that submission of an application electronically requires prior registration through Grants.gov, which may take 7-21 days. See Section VIII.C. for further information on submission of applications through Grants.gov.
- Applicants have sometimes experienced significant delays when attempting to submit applications through Grants.gov. If you plan to submit your application through Grants.gov, you are encouraged to submit your application several days prior to the application deadline. If you are a properly registered Grants.gov applicant, and you encounter problems with the Grants.gov application submission process, you must contact the Grants.gov Help desk to obtain a “Case Number.” This Case Number will provide evidence of your attempt to submit an application prior to the submission deadline.
- Regardless of the delivery method used, you must ensure that your proposal arrives by the date and time deadline stated in Section IV.B., above. Late applications will not be accepted unless it is determined that the delay was caused by Federal government mishandling or by a problem with the Grants.gov application system.

1. Application Format and Length

The total application package shall be no more than **100 consecutively numbered** pages and shall be single spaced and printed single-sided. If an application exceeds 100 pages, only the first 100 pages will be evaluated. The font shall be at least 12 points in size and easily readable. Page size shall be 8 ½” x 11,” except for an occasional larger size for charts, maps, or drawings. The Technical Proposal section shall be limited to a maximum of **30** (thirty) pages.

Applications will be prescreened for compliance to the page number limitations.

2. Application Content

The application must include the following elements in order to be considered complete:

- SF-424 Core Form – Application cover page
- SF-424 B or D Form, as applicable to the project
- Title page
- Table of contents
- Technical proposal (limited to 30 pages)
 - Executive summary
 - Background data
 - Technical project description
 - AWT evaluation criteria

- Potential environmental impacts
- Required permits and approvals
- Funding plan and letters of commitment
- Letters of project support (do not submit separately)
- Official resolution
- Project budget application
 - Budget proposal
 - Budget Narrative
 - SF-424 A or C Form, as applicable to the project

SF-424, SF-424A, SF-424B, SF-424C, and SF-424D forms may be obtained at http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1.

a. SF-424 Application Cover Page

This fully completed form must be signed by a person legally authorized to commit the applicant to performance of the project. **Failure to submit a properly signed SF-424 may result in the elimination of the application from further consideration.**

b. SF-424 Assurances

An SF-424B – Assurances – Non-Construction Programs or an SF-424D – Assurances – Construction Programs, signed by a person legally authorized to commit the applicant to performance of the project shall be included. Questions regarding whether to use an SF-424B or SF-424D should be referred to Stephanie Bartlett at: sbartlett@usbr.gov. **Failure to submit a properly signed SF-424B or SF-424D may result in the elimination of the application from further consideration.**

c. Title Page

Provide a brief, informative, and descriptive title for the proposed work that indicates the nature of the project. Include the name and address of the applicant, and the name and address, e-mail address, telephone, and fax numbers of the project manager.

d. Table of Contents

List all major sections of the technical proposal in the table of contents.

e. Technical Proposal and Evaluation Criteria

The technical proposal (30 pages maximum) includes: (1) the Executive Summary, (2) Background Data, (3) Technical Project Description, and (4) Evaluation Criteria. To ensure accurate and complete scoring of your application, your proposal should address each subcriterion in the order presented here. Where applicable, the point value is indicated.

- (1) **Technical Proposal: Executive Summary.** The executive summary should include:

- A one-paragraph project summary that specifies the Task Area (A or B) and briefly identifies how the proposed project contributes to accomplishing the goals of this task area (see Section III.B, “Eligible Projects”).
- The length of time and estimated completion date for the project.

(2) Technical Proposal: Background Data.

- Provide a map of the area showing the geographic location (state, county, and direction from nearest town).
- Describe the source of water supply, the water rights involved, current water uses (agricultural, municipal, domestic, or industrial), the number of water users served, and the current and projected water demand.
- Identify potential shortfalls in water supply. If water is primarily used for irrigation, describe major crops and total acres served. If the application includes renewable energy or energy efficiency elements, describe existing energy sources and current energy uses.
- If applicable, describe any Endangered Species Act (ESA) issues that exist in the geographic area.
- Identify any past working relationships with Reclamation. This should include the date(s), description of prior relationships with Reclamation, and a description of the project(s).

(3) Technical Proposal: Technical Project Description. The technical project description should describe the work in detail and the approach to be used to carry it out. Break the work out into major tasks. This description shall have sufficient detail to permit a comprehensive evaluation of the proposal. The technical project description should also include:

- An estimated project schedule that shows the stages and duration of the proposed work, including major milestones and dates
- Engineering plans, designs, and analyses prepared in connection with the proposed project
- Explanation of the ways that the project will improve sustainable water supplies and demonstrate results, such calculations of project benefits
- Identification of sources and support for non-Federal funding

(4) Technical Proposal: AWT Evaluation Criteria. The Technical Proposal portion of your application should thoroughly address each of the following

criteria and subcriteria in the order presented to assist in the complete and accurate evaluation of your proposal. This information should be contained in the 30 page Technical Proposal.

(a) Addressing Projected Water Supply Imbalances (25 points)

Up to 12 points may be awarded based on the potential quantity of treated water produced and that quantity relative to an existing or future water supply imbalance. Up to 8 points may be awarded based on the likelihood that the proposal will result in a “new” sustainable source of water and lead to construction of a full-scale project. Up to 5 points may be awarded based on the proposal’s connection to Reclamation activities.

Subcriterion No. 1—Potential Quantity of Water Produced:

Up to 6 points may be awarded based on the amount of water that could potentially be treated by a full scale plant.

List the annual planned treatment capacity (acre-feet [af]). If the applicant does not yet have enough detailed information on the potential size of the full-scale treatment system, please explain and instead list the annual amount available for treatment (acre-feet [af]).

Subcriterion No. 2—Percentage of Water Supply Imbalance:

Up to 6 points may be awarded based on the amount of water that could potentially be treated by a full scale plant relative to an imbalance in future water supply.

Identify the water supply imbalance that the project will address. Water supply imbalance is the difference between the projected available water supply and the projected water demand at least 20 years into the future. Projections of supply and demand should take into account changes from dramatic population growth, climate variability, and heightened competition for finite water supplies. The water supply imbalance should be considered for the entire area of responsibility of the applicant.

Points will be allocated as listed below:

$$\frac{\text{Annual Planned Treatment Capacity (af)}}{\text{Annual Projected Water Supply Imbalance (af)}} \times 100$$

OR

If the applicant does not yet have enough detailed information on the potential size of the full-scale treatment system, points will be allocated using the following formula.

Annual Amount of Water Available for Treatment (af) x 100
Annual Projected Water Supply Imbalance (af)

Subcriterion No. 3—Likelihood that the Proposal will Lead to a “New” Sustainable Source of Water:

Up to 8 points may be awarded for proposals likely to lead to “new” sustainable water from an unused source, such as brackish water, seawater, produced water, or wastewater.

Proposals should describe how the project will lead to increased sustainable water supplies (e.g., Will the full scale project help offset overdrafting of an aquifer or replace water that is currently obtained through short term contracts? How many years is the water source expected to be available?).

Subcriterion No. 4—Connection to Reclamation Project Activities:

Up to 5 points may be awarded if the proposal is in a basin with connections to Reclamation projects or activities. No points will be awarded for proposals without connection to a Reclamation project or Reclamation activity. A list of Reclamation projects and activities for each Reclamation region can be found at <<http://www.usbr.gov/projects/mapsregion.jsp>>.

- In what way is the proposal connected to Reclamation projects or activities?
- Does the proposed project receive Reclamation project water?
- Will the proposal address Reclamation facilities or Reclamation project lands?
- Is the proposal in the same basin as a Reclamation project or activity?
- Will the proposal benefit a basin where a Reclamation project is located, or where a Reclamation activity is ongoing?

(b) Energy and Water Efficiency Nexus (18 points)

Up to 18 points will be awarded based on the extent to which the project increases the use of renewable energy, or results in energy conservation, in the management and delivery of water.

Subcriterion No. 1—Implementing Renewable Energy Improvements

Up to 9 points may be awarded for projects that include demonstration of renewable energy components (e.g., solar-electric facilities, wind energy systems, or facilities that otherwise enable the use of renewable energy).

Points may be awarded based on your readiness to proceed, including the completion of all necessary permits and power purchase agreements; and the percentage of your power requirements that will be met through renewable energy sources.

For projects that include renewable energy, please describe the renewable energy system. Please include the following:

- (1) Investigation of approaches for integrating renewable energy systems with the AWT project
- (2) Role of the renewable energy system in the operation of the AWT project
- (3) Discussion of your readiness to proceed, including identification of any necessary permits
- (4) Estimated quantity of energy to be generated by the renewable energy system
- (5) Expected environmental benefits of the renewable energy system
- (6) Quantity of energy savings to be derived from the activity, as demonstrated by an energy audit

Subcriterion No. 2—Increasing Energy Efficiency in Water Management

Up to 9 points may be awarded for projects that will result in quantifiable energy savings (e.g., where water treatment will require less energy than pumping, diverting and/or transporting another source of water, or where the use of a particular water treatment technology or approach reduces the amount of energy typically consumed through traditional or nontraditional water treatment processes).

Please describe any quantifiable energy savings that are expected to result from the pilot or demonstration studies and include support for how energy savings were calculated.

(c) Relationship of the Project to Current AWT Applications and Reclamation’s Research Goals (18 points)

Up to 18 points may be awarded for proposals that test new AWT technology or apply existing AWT technology in innovative ways and also fit with Reclamation’s research goals.

Please address the following:

- (1) The extent to which the proposal tests new technology or applies existing technology in an innovative way
- (2) The manner in which the proposed technology, as applied, fits within Reclamation’s identified research goals

Reclamation’s Research Goals:

Goal 1: Understand and minimize the environmental impacts of AWT related to:

- Concentrate management in coastal and inland settings (crosscutting)
- Toxicity due to concentrate disposal
- Renewables
- Seawater intakes and outfalls
- Fate and health impacts of AWT-related contaminants
- Brackish groundwater development
- Response to climate change

Goal 2: Lower the financial costs of AWT related to:

- Capital or operating costs
- Concentrate management (crosscutting)
- Use of waste heat
- Impact of energy pricing
- Integration of renewable energy
- Reduce primary energy usage

(d) Qualifications of the Management Team (18 points)

Up to 18 points may be awarded based on the qualifications of the team that will lead the pilot or demonstration activities (management team).

Please describe the credentials, experience, and past performance of the management team. Alternatively, describe the process and criteria that will be used to select an appropriate, experienced management team.

(e) Other Contributions to Water Supply Sustainability (11 points)

Up to 11 points may be awarded for proposed AWTs that are likely to contribute to a more sustainable water supply in ways not covered by other criteria (e.g., addressing specific local concerns, water supply shortages due to climate variability, significant population growth, or drought).

- (1) Will the proposed project address specific concerns (e.g. water supply shortages due to climate variability and/or heightened competition for finite water supplies)?
- (2) Generally, describe the issues that affect water supply sustainability and describe how the proposed project will address those issues.
- (3) Explain how the proposed project will identify actions to improve sustainable water supplies.

(f) Project Financing and Cost Sharing (10 points)

Up to 10 points will be awarded for proposals based on the extent to which costs are reasonable for the work proposed and the extent to which non-Federal cost-share exceeds minimum requirements.

Subcriterion No. 1—Reasonableness of Costs

Up to 6 points may be awarded for proposals for which the costs are reasonable, appropriate for the work proposed, necessary, and predominantly allocated to direct costs.

Does the budget identify direct, indirect, environmental, and contingency costs? If not, explain.

Subcriterion No. 2—Additional non-Federal Funding

Up to 4 additional points may be awarded to proposals that provide non-Federal funding in excess of 50 percent of the project costs.

State the percentage of non-Federal funding provided.

f. Description of Potential Environmental Impacts

In order to allow Reclamation to assess the probable environmental impacts and costs associated with each application, all applicants must respond to the following list of questions focusing on the requirements of the National Environmental Policy Act (NEPA), the ESA, and the National Historic Preservation Act (NHPA). Please answer the following questions to the best of your knowledge. If any question is not applicable to your project, please explain why. Please contact your regional or area Reclamation office with questions regarding environmental compliance issues (see <<http://www.usbr.gov/>

[main/regions.html](#)>) or you may contact Dean Marrone, WaterSMART Grant Coordinator, at 303-445-3577 for further information.

Additional information about environmental compliance is provided in this section at paragraph j.(3)(g) “Environmental and Regulatory Compliance Cost” and in Section VIII A., “Environmental Compliance Requirements.”

- (1) Will the project impact the surrounding environment (e.g., soil [dust], air, water [quality and quantity], animal habitat)? Please briefly describe all earth-disturbing work and any work that will affect the air, water, or animal habitat in the project area. Please also explain the impacts of such work on the surrounding environment and any steps that could be taken to minimize the impacts.
- (2) Are you aware of any endangered or threatened species in the project area? If so, would they be affected by any activities associated with the proposed project?
- (3) Are there wetlands inside the project boundaries? If so, please estimate how many acres of wetlands there are and describe any impact the project will have on the wetlands?
- (4) Are any buildings, structures, or features listed or eligible for listing on the National Register of Historic Places? A cultural resources specialist at your local Reclamation office or the State Historic Preservation Office can assist in answering this question. For a list of local cultural resource specialists, please see <<http://www.usbr.gov/cultural/crmstaff.html>>.
- (5) Are there any known archeological sites in the proposed project area?

g. Required Permits or Approvals

Applicants must state in the application whether any permits or approvals are required and explain the plan for obtaining such permits or approvals.

h. Funding Plan and Letters of Commitment

Describe how the non-Reclamation share of project costs will be obtained. Reclamation will use this information in making a determination of financial capability.

Project funding provided by a source other than the applicant shall be supported with letters of commitment from these additional sources. This is a **mandatory requirement**. Letters of commitment shall identify:

- (1) The amount of funding commitment
- (2) The date the funds will be available to the applicant

- (3) Any time constraints on the availability of funds
- (4) Any other contingencies associated with the funding commitment

Commitment letters should be included with your project application. If a final funding commitment has not been received by the date of application, commitment letters are to be submitted by no later than September 1, 2010, to the address shown in Section IV.C, above.

The funding plan must include all project costs. Address:

- (1) How you will make your contribution to the cost-share requirement, e.g., monetary and/or in-kind contributions and the source of funds you will contributed (e.g., reserve account, tax revenue, and/or assessments).
- (2) Describe any in-kind costs incurred before the anticipated project start date that you seek to include as project costs. The description of these costs shall include:
 - (a) What project expenses have been incurred
 - (b) How they benefitted the project
 - (c) The amount of the expense
 - (d) The date of cost incurrence
- (3) Provide the identity and amount of funding to be provided by funding partners, as well as the required letters of commitment.
- (4) Describe any funding requested or received from other Federal partners.
Note: Other sources of Federal funding may not be counted towards the applicant's 50 percent cost share unless otherwise allowed by statute.
- (5) Describe any pending funding requests that have not yet been approved, and explain how the project will be affected if such funding is denied.

i. Official Resolution

Include an official resolution adopted by the applicant's board of directors or governing body, or for state government entities, an official authorized to commit the applicant to the financial and legal obligations associated with receipt of WaterSMART Grant financial assistance, verifying:

- The identity of the official with legal authority to enter into agreement

- The board of directors, governing body, or appropriate official who has reviewed and supports the application submitted
- The capability of the applicant to provide the amount of funding and/or in-kind contributions specified in the funding plan
- The applicant will work with Reclamation to meet established deadlines for entering into a cooperative agreement

An official resolution meeting the requirements set forth above is mandatory.

If the applicant is unable to submit the official resolution by the application deadline because of the timing of board meetings or other justifiable reasons, the official resolution may be submitted up to 30 days after the application deadline.

j. Budget Proposal

- (1) **General Requirements.** Include an AWT project budget with the annual estimated project costs and an estimate of any increase or decrease in O&M costs resulting from the project. Include the value of in-kind contributions of goods and services and sources of funds provided to complete the project. The proposal must clearly delineate between Reclamation and applicant contributions.
- (2) **Budget Proposal Format.** The project budget shall include detailed information on the categories listed below and must clearly identify all project costs and the funding source(s) (i.e., Reclamation or other funding sources). Unit costs shall be provided for all budget items including the cost of work to be provided by contractors. **Lump sum costs are not acceptable.** Additionally, applicants shall include a narrative description of the items included in the project budget. It is strongly advised that applicants use the budget format shown on table 1 at the end of this section or a similar format that provides this information.
- (3) **Budget Narrative Format.** Submission of a budget narrative is mandatory. An award will not be made to any applicant who fails to fully disclose this information. The Budget Narrative provides a discussion of, or explanation for, items included in the budget proposal. Listed below are examples of the types of information to include in the narrative.
 - (a) **Salaries and Wages.** Indicate program manager and other key personnel by name and title. Other personnel may be indicated by title alone. For all positions, indicate salaries and wages, estimated hours or percent of time, and rate of compensation proposed. All labor estimates, including any proposed subcontractors, shall be allocated to specific tasks as outlined in the recipient's technical application. Labor rates and proposed hours shall be displayed for each task.

Clearly identify any proposed salary increases and the effective date.

Generally, salaries of administrative and/or clerical personnel should be included as a portion of the stated indirect costs. If these salaries can be adequately documented as direct costs, they may be included in this section; however, a justification should be included in the budget narrative.

- (b) *Fringe Benefits*. Indicate rates/amounts, what costs are included in this category, and the basis of the rate computations. Indicate whether these rates are used for application purposes only or whether they are fixed or provisional rates for billing purposes. Federally approved rate agreements are acceptable for compliance with this item.
- (c) *Travel*. Include purpose of trip, destination, number of persons traveling, length of stay, and all travel costs including airfare (basis for rate used), per diem, lodging, and miscellaneous travel expenses. For local travel, include mileage and rate of compensation.
- (d) *Equipment*. Itemize costs of all equipment having a value of over \$500 and include information as to the need for this equipment. If equipment is being rented, specify the number of hours and the hourly rate.
- (e) *Materials and Supplies*. Itemize supplies by major category, unit price, quantity, and purpose, such as whether the items are needed for office use, research, or construction.
- (f) *Contractual*. Identify all work that will be accomplished by subrecipients, consultants, or contractors, including a breakdown of all tasks to be completed, and a detailed budget estimate of time, rates, supplies, and materials that will be required for each task. If a subrecipient, consultant, or contractor is proposed and approved at time of award, no other approvals will be required. Any changes or additions will require a request for approval.
- (g) *Environmental and Regulatory Compliance Costs*. Applicants must include a line item in their budget to cover environmental compliance costs. "Environmental compliance costs" refer to costs incurred by Reclamation or the recipient in complying with environmental regulations applicable to an AWT grant, including costs associated with any required documentation of environmental compliance, analyses, permits, or approvals. Applicable Federal environmental laws could include NEPA, ESA, NHPA, and the Clean Water Act, and other regulations depending on the project. Such costs may include, but are not limited to:

- The cost incurred by Reclamation to determine the level of environmental compliance required for the project
- The cost incurred by Reclamation, the recipient, or a consultant to prepare any necessary environmental compliance documents or reports
- The cost incurred by Reclamation to review any environmental compliance documents prepared by a consultant
- The cost incurred by the recipient in acquiring any required approvals or permits, or in implementing any required mitigation measures

The amount of the line item should be based on the actual expected environmental compliance costs for the project. However, the minimum amount budgeted for environmental compliance should be equal to at least 1-2 percent of the total project costs. If the amount budgeted is less than 1-2 percent of the total project cost, you must include a compelling explanation of why less than 1-2 percent was budgeted. Any environmental compliance costs that exceed the amount you budgeted for must generally be paid for solely by you.

How environmental compliance activities will be performed (e.g., by Reclamation, the recipient, or a consultant), and how the environmental compliance funds will be spent, will be determined pursuant to subsequent agreement between the recipient and Reclamation. If any portion of the funds budgeted for environmental compliance is not required for compliance activities, such funds may be reallocated to the project, if appropriate.

- (h) *Reporting.* Recipients are required to report on the status of their project on a regular basis. Include a line item for reporting costs (including final project and evaluation costs). Please see Section VI.C for information on types and frequency of reports required.
- (i) *Other.* Any other expenses not included in the above categories shall be listed in this category, along with a description of the item and what it will be used for. No profit or fee will be allowed.
- (j) *Indirect Costs.* Show the proposed rate, cost base, and proposed amount for allowable indirect costs based on the applicable OMB circular cost principles (see Section III E., “Cost Sharing Requirement”) for the applicant’s organization. It is not acceptable to simply incorporate indirect rates within other direct cost line items.

If you have separate rates for recovery of labor overhead and general and administrative costs, each rate shall be shown. You should propose rates for evaluation purposes, which will be used as fixed or ceiling rates in any resulting award. Include a copy of any federally approved indirect cost rate agreement.

If you do not have a federally approved indirect cost rate agreement, or if unapproved rates are used, explain why and include the computational basis for the indirect expense pool and corresponding allocation base for each rate. Information on “Preparing and Submitting Indirect Cost Proposals” is available from Interior, the National Business Center, and Indirect Cost Section, at <http://www.aqd.nbc.gov/indirect/indirect.asp>.

(k) *Total Cost*. Indicate total amount of project costs, including the Federal and non-Federal cost-share amounts.

(4) Budget Form. In addition to the above-described budget information, the applicant must complete an SF-424A, Budget Information – Nonconstruction Programs, or an SF-424C, Budget Information – Construction Programs. These forms are available at http://www.grants.gov/agencies/aapproved_standard_forms.jsp#1.

E. Funding Restrictions

See Section III.E for restrictions on incurrence and allowability of pre-award costs.

Table 1. Sample Budget Proposal Format

BUDGET ITEM DESCRIPTION	COMPUTATION		RECIPIENT FUNDING	RECLAMATION FUNDING	TOTAL COST
	\$/Unit and Unit	Quantity			
SALARIES AND WAGES					
Employee 1					
Employee 2					
FRINGE BENEFITS					
Full-time employees					
Part-time employees					
TRAVEL					
Trip 1					
Trip 2					
EQUIPMENT					
Item A					
Item B					
Item C					
SUPPLIES/MATERIALS					
Office supplies					
Construction					
CONTRACTUAL/ ¹ CONSTRUCTION					
Item 1					
Item 2					
Item 3					
ENVIRONMENTAL AND REGULATORY COMPLIANCE ²					
OTHER					
Reporting					
TOTAL DIRECT COSTS					
INDIRECT COSTS - __%					
TOTAL PROJECT COSTS					

¹ Contracts should be broken out into specific line items. **Lump sum estimates will not be allowed.** Applicants may attach a separate, detailed budget for each contract to adequately address all contractor budget items.

² Environmental and regulatory compliance should be at least 1%-2% unless a justification is provided for a lesser amount.

Section V—Application Review Information

A. Review and Selection Process

The Government reserves the right to reject any and all applications which do not meet the requirements of this FOA, or which are outside the scope of this FOA. Awards will be made for projects most advantageous to the Government. Award selection may be made to maintain balance among the program tasks listed in Section III.B.

The evaluation process will be comprised of three steps.

1. First-Level Screening

All applications will be screened to ensure that:

- The application meets the requirements of the FOA package, including submission of technical and budget proposals, a funding plan, letter(s) of commitment, and related forms.
- The application must contain a properly executed SF-424 Application for Financial Assistance and a form SF-424B, Assurances – Non-Construction Programs, or SF-424D, Assurances – Construction Programs.
- The application includes an official resolution, adopted by the applicant’s board of directors, governing body, or appropriate authorized official.
- At least 50 percent of the cost of the project will be paid for with non-Federal funding. Cost share funding commitments are to be submitted to Reclamation by September 1, 2010.
- The applicant meets the eligibility requirements stated in this document.
- The application meets the description of eligible projects in Section III.B., “Eligible Projects,” of this document (Tasks A-B) and is within the scope of this FOA.
- The project can be completed by September 30, 2012.

An application must pass all First-Level Screening criteria in order for it to be forwarded for further consideration at the Second-Level Evaluation phase.

2. Second-Level Evaluation (Technical Review)

AWT evaluation criteria will comprise 100 points as stated in Section V.D.2.e(4). An Application Review Committee (ARC), made up of experts in relevant disciplines selected from across Reclamation, will score the applications against the AWT evaluation criteria.

3. Third-Level Evaluation (Managerial Review)

Management will prioritize projects to ensure:

- (1) The total amount of all awards does not exceed available funding levels
- (2) Balance among the program tasks
- (3) The proposed AWT projects are within the scope and priorities of the WaterSMART Program

Positive or negative past performance by the applicant and any partners in previous working relationships with Reclamation will be considered.

B. Pre-Award Clearances and Approvals

After completion of the third-level evaluation, Reclamation will notify applicants whose proposals have been selected for award consideration and will forward their applications to the appropriate Reclamation office for completion of environmental compliance.

Reclamation will also complete a business evaluation and determination of responsibility. During these evaluations, the Grants Officer (GO) will also consider several factors which are important, but not quantified, such as:

- Pre-award clearances, determinations, reviews, and approvals
- Allowability and allocability of proposed costs
- Financial strength and stability of the organization
- Past performance, including satisfactory compliance with all terms and conditions of previous awards, such as environmental compliance issues, reporting requirements, proper procurement of supplies and services, and audit compliance
- Adequacy of personnel practices; procurement procedures; and accounting policies and procedures, as established by applicable OMB circulars

Section V—Application Review Information

If the results of all pre-award reviews and clearances are satisfactory, an award of funding will be made once the agreement is finalized (approximately one to three months from date of initial selection).

Section VI—Award Administration Information

A. Award Notices

Successful applicants will receive, by electronic or regular mail, a notice of award.

B. Award Document

If the applicant is awarded a financial assistance agreement as a result of this FOA, the proposed AWT project and other relevant information from the application will be referenced in the agreement. Examples of award documents, including applicable terms and conditions, may be viewed at <http://www.usbr.gov/mso/aamd/doing-business-financial-assistance.html>. The agreement document must be signed by a Reclamation GO before it becomes effective.

C. Reporting Requirements and Distribution

If the applicant is awarded an agreement as a result of this FOA, the applicant will be required to submit the following types of reports during the term of the agreement.

1. Financial Reports

- SF-425, Federal Financial Report

2. Program Performance Reports

- Quarterly reports
- Final report (please note final reports are public documents and will be made available on Reclamation's website)
 - The cost of creation of a final report should be included in the budget proposal as required in Section IV.D.2.j.
 - The Final Report shall include, but not be limited to:

- A narrative summary of all work performed under the agreement
 - A detailed pilot plant description
 - Test or plan procedures
 - Presentation and interpretation of the test data, results, and conclusions
 - Updated cost estimates and conclusions regarding the commercial viability of the project
- More detailed Final Report requirements may be specified if an agreement is awarded.

3. Significant Development Reports

- When applicable

Section VII—Agency Contacts

There will be no pre-application conference. Organizations or individuals interested in submitting applications in response to this FOA *may direct questions to Reclamation in writing*. Questions may be submitted to the attention of Stephanie Bartlett, GO, as follows:

By mail:

Bureau of Reclamation
Acquisition Operations Group
Attn: Stephanie Bartlett
Mail Code: 84-27810
P.O. Box 25007
Denver CO 80225

Express delivery:

Bureau of Reclamation
Attn: Stephanie Bartlett
Mail Code: 84-27810
Denver Federal Center, Bldg. 67 Rm. 152
6th and Kipling Street
Denver CO 80225

By e-mail:

sbartlett@usbr.gov

Section VIII—Other Information

A. Environmental Compliance Requirements

Before approving expenditures for the implementation of a WaterSMART Grant AWT Pilot and Demonstration project, Reclamation is required to comply with applicable environmental laws. Such compliance requires the participation and cooperation of both Reclamation and WaterSMART Grant recipients. This information is intended to inform you about the environmental compliance process associated with WaterSMART Grant AWT Pilot and Demonstration projects and to summarize the requirements of certain Federal environmental laws.

Reclamation addresses environmental compliance issues in *two phases* when evaluating WaterSMART Grant AWT Pilot and Demonstration project proposals. First, as part of the initial recommendation process, Reclamation evaluates the appropriateness of the amount budgeted for environmental compliance. Reclamation also examines the proposal to determine whether any significant environmental issues are involved in the project. Second, once a proposal has been initially recommended for funding, Reclamation undertakes a more detailed examination of environmental issues associated with the proposed project to comply with applicable law.

1. Review within the Application Evaluation Process

In the evaluation and selection process, Reclamation performs an initial review of the AWT Pilot and Demonstration project proposals for potential environmental issues. At this stage, Reclamation's review is focused on:

- (1) Whether the applicant has budgeted appropriately for environmental compliance
- (2) Whether any significant environmental issues (i.e., issues that would make the project infeasible) are apparent

Applicants for AWT Pilot and Demonstration WaterSMART Grant funding must include a line item in their budget estimating the cost of environmental compliance for their project. The amount budgeted should be based on the actual expected environmental compliance costs, but should be equal to *at least* 1-2 percent of the total project costs. If less than 2 percent is budgeted, applicants must provide justification. Proposals will be scored based on whether the amount budgeted appears reasonable.

Environmental compliance costs that are included in the applicant's budget proposal are considered project costs and may be cost shared by the recipient and Reclamation. Any actual costs above the amount budgeted for by the applicant must generally be paid for solely by the applicant. If too much is budgeted for environmental compliance, any remaining funding may generally be reallocated to cover other project costs.

Environmental compliance costs have varied greatly for past projects. A minimal number of projects have incurred environmental compliance costs over the 2-percent budgeted amount. In each of those cases, the overage has been the result of issues involving historic properties, the presence of endangered species, or other compliance concerns requiring a more lengthy assessment of specific issues.

In addition to budgeting for environmental costs, this FOA requests that applicants for WaterSMART Grant project funding answer a series of questions about the potential environmental impacts of their proposed project. In general, proposals will not be scored lower in this first step of the environmental review based on the significance of the environmental issues involved. Rather, the information about environmental impacts is used by Reclamation primarily to determine if the applicant has budgeted appropriately. However, in some extreme cases, a proposal may be eliminated from further consideration at this stage if the magnitude of the environmental issues would make the project infeasible.

2. Review of Initially Recommended Projects

If a proposal is initially recommended for funding, a detailed analysis will be performed to determine the actual environmental impacts of the project, to agree on any mitigation measures needed, and to document environmental compliance. The recipient will then work with Reclamation to provide the information necessary for Reclamation to complete the environmental compliance work.

To the extent possible, environmental compliance will be completed before a cooperative agreement is signed by the parties. In all other cases, **the award will be made contingent on completion of environmental compliance**, and the assistance agreement will describe how compliance will be carried out and how it will be paid for. WaterSMART Grant funding may not be applied to construction or implementation of the project itself unless and until this second level of environmental analysis is completed to comply with all applicable environmental laws.

3. Overview of Relevant Environmental Laws

Following is a brief overview of NEPA, NHPA, and ESA. While these statutes are not the only environmental laws that may apply to WaterSMART Grant projects, they are the Federal laws that most frequently do apply. Compliance with all applicable environmental laws will be initiated by Reclamation

concurrently, immediately following the initial recommendation of an AWT Pilot and Demonstration WaterSMART grant proposal for award.

The descriptions below are intended to provide applicants with information about the environmental compliance issues that may apply to their projects and to help applicants budget appropriately for the associated compliance costs.

a. National Environmental Policy Act

NEPA requires Federal agencies such as Reclamation to evaluate—during the decision-making process—the potential environmental effects of a proposed action and any reasonable mitigation measures. Before Reclamation can make a decision to fund a WaterSMART Grant project, Reclamation must comply with NEPA.

Compliance with NEPA can be accomplished in several ways, depending upon the degree and significance of environmental impacts associated with the proposal:

- Some projects may fit within a recognized **Categorical Exclusion (CE)** to NEPA (i.e., one of the established categories of activities that generally do not have significant impacts on the environment). If a project fits within a CE, no further NEPA compliance measures are necessary. Use of a CE can involve simple identification of an applicable **Departmental CE** or documentation of a **Reclamation CE** using a **Categorical Exclusion Checklist (CEC)**. If a CE is being considered, Reclamation will determine the applicability of the CE and whether extraordinary circumstances (i.e., reasons that the CE cannot be applied) exist. That process takes anywhere from 1 day to about 30 days, depending upon the specific situation.
- If the project does not fit within a CE, compliance with NEPA might require preparation of an **Environmental Assessment/Finding of No Significant Impact (EA/FONSI)**. Generally, where no CE applies but there are not believed to be any significant impacts associated with the proposed action, an EA will be required. The EA is used to determine whether any potentially significant effects exist (which would trigger the further step of an Environmental Impact Statement, below). If no potentially significant effects are identified, the EA process ends with the preparation of a FONSI. The EA/FONSI process is more detailed than the CE/CEC process and can take weeks or even months to complete. Consultation with other agencies and public notification are part of the EA process.
- The most detailed form of NEPA compliance, where a proposed project has potentially significant environmental effects, is completion of an **Environmental Impact Statement (EIS)** and **Record of Decision**. An

EIS requires months or years to complete, and the process includes considerable public involvement, including mandatory public reviews of draft documents. It is not anticipated that projects proposed under this program will require completion of an EIS.

During the NEPA process, potential impacts of a project are evaluated in context and in terms of intensity (e.g., Will the proposed action affect the only native prairie in the county? Will the proposed action reduce water supplied to a wetland by 1 percent? or 95 percent?) The best source of information concerning the potentially significant issues in a project area is the local Reclamation staff, who have experience in evaluating effects in context and by intensity. You are encouraged to contact your regional or area Reclamation office with questions regarding NEPA compliance issues. See <<http://www.usbr.gov/main/regions.html>> or you may contact Dean Marrone, WaterSMART Grant Coordinator, at 303-445-3577 for further information.

b. National Historic Preservation Act

To comply with Section 106 of the NHPA, Reclamation must consider whether a proposed project has the *potential to cause effects to historic properties*, before it can award a WaterSMART Grant. “**Historic properties**” are cultural resources (historic or prehistoric districts, sites, buildings, structures, or objects) that qualify for inclusion in the National Register of Historic Places. In some cases, **water delivery infrastructure that is over 50 years old** can be considered a “historic property” that is subject to review.

If a proposal is selected for initial award, WaterSMART Grant recipients will work with Reclamation to complete the Section 106 process. Compliance can be accomplished in several ways, depending on how complex the issues are, outlined as follows:

- If Reclamation determines that the project does *not* have the potential to cause effects to historic properties, then Reclamation will document its findings and the Section 106 process will be concluded. This can take anywhere from a couple of days to 1 month.
- If Reclamation determines that the proposed project *could* have effects on historic properties, a multi-step process, involving consultation with the State Historic Preservation Officer and other entities, will follow. Depending on the nature of the project and impacts to cultural resources, consultation can be complex and time consuming. The process includes a determination as to whether additional information is necessary; evaluation of the significance of identified cultural resources; assessment of the effect of the project on historic properties; and, if the project would have an adverse effect, evaluation of alternatives or modifications to avoid, minimize, or mitigate the effects. A Memorandum of Agreement is

then used to record and implement any necessary measures. At a minimum, completion of the multi-step Section 106 process takes about 2 months.

Among the types of historic properties that might be affected by WaterSMART Grants are **historic irrigation systems** and **archaeological sites**. An irrigation system or a component of an irrigation system (e.g., a canal or headgate) is more likely to qualify as historic if it is more than 50 years old, if it is the oldest or an early system/component in the surrounding area, and if the system/component has not been significantly altered or modernized. In general, WaterSMART Grant projects that involve ground disturbance, or the alteration of existing older structures, are more likely to have the potential to affect cultural resources. However, the level of cultural resources compliance required, and the associated cost, depends on a case-by-case review of the circumstances presented by each proposal.

Applicants should contact their State Historic Preservation Office and their local Reclamation office's cultural resources specialist to determine what, if any, cultural resources surveys have been conducted in the project area. See <http://www.usbr.gov/cultural/> for a list of Reclamation's cultural resource specialists. If a project has previously received Federal financial assistance, it is possible that a cultural resources survey has already been completed.

c. Endangered Species Act

Pursuant to Section 7 of the ESA, each Federal agency is required to consult with the U.S. Fish and Wildlife Service (USFWS) or the National Oceanic and Atmospheric Administration (NOAA) Fisheries Service to ensure any action it authorizes, funds, or carries out is not likely to *jeopardize the continued existence of any endangered or threatened species or destroy or adversely modify any designated critical habitat*.

Before Reclamation can approve funding for the implementation of a WaterSMART Grant project, it is required to comply with Section 7 of the ESA. The steps necessary for ESA compliance vary, depending on the presence of endangered or threatened species and the effects of the project. A rough overview of the possible course of ESA compliance is as follows:

- If Reclamation can determine that there are no endangered or threatened species or designated critical habitat in the project area, the ESA review is complete and no further compliance measures are required. This process can take anywhere from one day to one month.
- If Reclamation determines that endangered or threatened species may be affected by the project, then a **“Biological Assessment”** must be prepared by Reclamation. The Biological Assessment is used to help determine whether a proposed action may affect a listed species or its designated

critical habitat. The Biological Assessment may result in a determination that a proposed action *is not likely to adversely affect* any endangered or threatened species. If the USFWS/NOAA Fisheries Service concurs in writing, then no further consultation is required and ESA compliance is complete. Depending on the scope and complexity of the proposed action, preparation of a Biological Assessment can range from days to weeks or even months. The USFWS/NOAA Fisheries Service generally responds to requests for concurrence within 30 days.

- If it is determined that the project *is likely to adversely affect* listed species, further consultation (“**formal consultation**”) with USFWS or NOAA Fisheries Service is required to comply with the ESA. The process includes the creation of a **Biological Opinion** by the USFWS/NOAA Fisheries Service, including a determination of whether the project would “**jeopardize**” listed species and, if so, whether any **reasonable and prudent** alternatives to the proposed project are necessary to avoid jeopardy. Nondiscretionary **reasonable and prudent measures and terms and conditions** to minimize the impact of incidental take may also be included. Under the timeframes established in the ESA regulations, the Biological Opinion is issued within 135 days from the date that formal consultation was initiated, unless an extension of time is agreed upon.

Obviously, the time, cost, and extent of the work necessary to comply with the ESA depends upon whether endangered or threatened species are present in the project area and, if so, whether the project might have effects on those species significant enough to require formal consultation.

ESA compliance is often conducted parallel to the NEPA compliance process and, as in the case of categorical exclusion checklists, documented simultaneously. The best source of information concerning the compliance with the ESA in a particular project area is the local Reclamation environmental staff, who can be helpful in determining the presence of listed species and possible effects that would require consultation with the USFWS or National Marine Fisheries Service. You are encouraged to contact your local Reclamation office with questions regarding ESA compliance issues. See <<http://www.usbr.gov/main/regions.html>> for a list of Reclamation offices.

B. General Provisions

The General provisions applicable to this agreement are available at: <<http://www.usbr.gov/mso/aamd/doing-business-financial-assistance.html>>. The General Provisions are included within the Standard Document Templates shown on that page. Please review the appropriate recipient and project type template document applicable to your application.

Applicants are advised to review 43 CFR 12 for further guidance relating to the administration of an anticipated agreement beyond the point of award.

C. Electronic Application through Grants.gov

NOTE: Some applicants have experienced difficulties when attempting to submit their applications electronically through Grants.gov. If you encounter problems with the Grants.gov application submission process, you must contact the Grants.gov Help Desk to obtain a “Case Number.” This will provide evidence of your attempt to submit an application prior to the submission deadline.

1. Applying for Funds Online at Grants.gov

Reclamation is participating in the Grants.gov initiative that provides the grant community with a single website to find and apply for grant funding opportunities. Reclamation encourages applicants to submit their applications for funding electronically through <http://www.grants.gov/applicants/apply_for_grants.jsp>. Applicant resource documents, and a full set of instructions for registering with Grants.gov and completing and submitting applications online are available at: <<http://www.grants.gov/applicants/resources.jsp>>. If you need assistance with Grants.gov, the Contact Center is open 24 hours a day, 7 days a week. You may reach the Grants.gov Contact Center by email at <support@grants.gov> or by calling 1-800-518-4726.

The following checklist is provided to give you a summary of the steps that are required to register with Grants.gov. **This Registration process must be completed prior to submitting an electronic application through Grants.gov.**

Additionally, see Step 2 below for completing the annual Central Contractor Registration (CCR) renewal process.

2. Registering to Use Grants.gov (1-3 week process)

Note: (The following checklist information is available electronically at <http://www.grants.gov/assets/Organization_Steps_Complete_Registration.pdf>.) The registration is a **one-time** process, which is **required** before representatives of an organization can submit grant application packages electronically through Grants.gov. **The registration process can take three to five business days or one to three weeks**—depending on your organization and if all steps are met in a timely manner. The checklist in Table 2 provides registration guidance for a company; academic or research institution; State, local, or tribal government; not-for-profit; or other type of organization.

Table 2. Checklist for Registering Your Organization in Grants.gov

Step	Actions to take	Purpose	Time required
1: Obtain Data Universal Number System (DUNS) Number	<p>Has my organization identified its DUNS number?</p> <p>Ask the grant administrator, chief financial officer, or authorizing official of your organization to identify your DUNS number.</p> <p>If your organization does not know its DUNS number or needs to register for one, visit Dun & Bradstreet at http://fedgov.dnb.com/webform/displayHomePage.do</p>	<p>The Federal government has adopted the use of DUNS numbers to track how Federal grant money is allocated. DUNS numbers identify your organization.</p>	<p>Same Day. You will receive DUNS number information online.</p>
2: Register With Central Contractor Registration	<p>Has my organization registered with the CCR?</p> <p>Ask the grant administrator, chief financial officer, or authorizing official of your organization if your organization has registered with the CCR.</p> <p>If your organization is not registered, you can apply online by going to http://www.ccr.gov. CCR has developed a handbook https://www.bpn.gov/ccr/doc/UserAccount.pdf to help you with the process. If AFTER having registered in CCR, you experience any registration problems, you can get help by going to the Federal Service Desk https://www.fsd.gov.</p> <p>When your organization registers with CCR, you must designate an E-Business Point of Contact (E-Biz POC). This person will identify a special password called an "M-PIN."</p> <p>This M-PIN gives the E-Biz POC authority to designate which staff member(s) from your organization are allowed to submit applications electronically through Grants.gov. Staff members from your organization designated to submit applications are called Authorized Organization Representatives (AORs).</p>	<p>Registering with the CCR is required for organizations to use Grants.gov.</p>	<p>If your organization already has an Employer Identification Number (EIN) or Taxpayer Identification Number (TIN), then you should allow one – three business days to complete the entire CCR registration. The EIN and TIN will come from the Internal Revenue Service (IRS)</p> <p>If your organization does not have an EIN or TIN, then you should allow two weeks for obtaining the information from the IRS when requesting the EIN or TIN via phone or Internet. The additional number of days needed is a result of security information that needs to be mailed to the organization.</p>

***Note: Your organization needs to renew your CCR registration once a year. You will not be able to move on to Step 3 until you have renewed your CCR registration. This renewal may take up to 5 business days.**

Section VIII—Other Information

Step	Actions to take	Purpose	Time required
<p>3: Username and Password</p>	<p>Have the AORs who officially submit applications on behalf of your organization completed their profile with Grants.gov to create their username and password?</p> <p>To create a username and password, AORs must complete their profile on Grants.gov. AORs will need to know the DUNS number of the organization for which they will be submitting applications to complete the process.</p> <p>After your organization registers with the CCR, AORs must wait one business day before they can complete a profile and create their usernames and passwords on Grants.gov.</p>	<p>An AOR username and password serves as an "electronic signature" when submitting a Grants.gov application.</p>	<p>Same Day. After the AOR has completed their profile they will be prompted to create a username and password that will allow the user to login and check their approval status immediately.</p>
<p>4: AOR Authorization</p>	<p>Has the E-Business Point of Contact (E-Biz POC) approved AORs to submit applications on behalf of the organization?</p> <p>When an AOR registers with Grants.gov to submit applications on behalf of an organization, that organization's E-Biz POC will receive an email notification. The email the AOR submitted in the profile will be the email used when sending the automatic notification from Grants.gov to the E-Biz POC with the AOR copied on the correspondence.</p> <p>The E-Biz POC must then login to Grants.gov (using the organization's DUNS number for the username and the "M-PIN" password (obtained in Step 2) and approve the AOR, thereby giving him or her permission to submit applications.</p> <p>When an E-Biz POC approves an AOR, Grants.gov will send the AOR a confirmation email.</p>	<p>Only the E-Biz POC can approve AORs. This allows the organization to authorize specific staff members or consultants/grant writers to submit grants. Only those who have been authorized by the E-Biz POC can submit applications on behalf of the organization.</p>	<p>This depends on how long it takes the E-Biz POC to login and approve the AOR, once the approval is completed the AOR can immediately submit an application.</p>
<p>Step 5: Track AOR Status</p>	<p>What is your AOR status?</p> <p>AORs can also login to track their AOR status using their username and password (obtained in Step 3) to check if they have been approved by the E-Biz POC.</p>	<p>To verify that the organization's E-Biz POC has approved the AOR.</p>	<p>Logging in to check your AOR status is instantaneous. The approval process to become an AOR depends on how long it takes the E-Biz POC to login and approve the AOR.</p>