

# RECLAMATION

*Managing Water in the West*

Funding Opportunity Announcement No. R11SF80303

## WaterSMART: Water and Energy Efficiency Grants for FY 2011



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

December 2010

## **Mission Statements**

The U.S. Department of the Interior protects America's natural resources and heritage, honors our cultures and tribal communities, and supplies the energy to power our future.

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

<b>Federal Agency Name:</b>	Department of the Interior, Bureau of Reclamation, Policy and Administration
<b>Funding Opportunity Title:</b>	WaterSMART: Water and Energy Efficiency Grants for Fiscal Year (FY) 2011
<b>Announcement Type:</b>	Funding Opportunity Announcement (FOA)
<b>Funding Opportunity Number:</b>	R11SF80303
<b>Catalog of Federal Domestic Assistance (CFDA) Number:</b>	15.507
<b>Dates:</b> (See FOA Sec. IV.B)	Application due date: February 17, 2011, 4:00 p.m. Mountain Standard Time (MST)
<b>Eligible Applicants:</b> (See FOA Sec. III.A)	States, Indian tribes, irrigation districts, water districts, or 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
<b>Recipient Cost Share:</b> (See FOA Sec. III.E)	50 percent or more of project costs
<b>Federal Funding Amount:</b> (See FOA Sec. II.B)	<b>Funding Group I:</b> Up to \$300,000 per agreement <b>Funding Group II:</b> \$300,001 to \$1,000,000 per agreement
<b>Estimated Number of Agreements to be Awarded:</b> (See FOA Sec. II.B)	<b>Funding Group I:</b> It is expected that the majority of awards will be made for projects in Funding Group I compared to Funding Group II. <b>Funding Group II:</b> It is expected that fewer awards will be made for projects in Funding Group II compared to Funding Group I.
<b>Estimated Amount of Funding Available for Award:</b> (See FOA Sec. II.A)	The President's FY 2011 budget request includes \$27 million proposed for WaterSMART Grants. The amount of funding available for award for this WaterSMART Grant FOA will be determined once final FY 2011 appropriations have been made. This FOA will be cancelled if FY 2011 appropriations are insufficient to support new awards. Applications submitted under this FOA may also be considered if other funding becomes available in FY 2011 or subsequently. Please refer to < <a href="http://www.usbr.gov/WaterSMART/">http://www.usbr.gov/WaterSMART/</a> > for updated funding information.



# Application Checklist

The following table contains a summary of the information that you are 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.3.a.	Form SF 424, available at: < <a href="http://apply07.grants.gov/apply/FormLinks?family=15">http://apply07.grants.gov/apply/FormLinks?family=15</a> > Page 21	*
	Assurances	See Sec. IV.D.3.b.	Form SF 424B or SF 424D, as applicable, available at: < <a href="http://apply07.grants.gov/apply/FormLinks?family=15">http://apply07.grants.gov/apply/FormLinks?family=15</a> > Page 22	*
	Title page	See Sec. IV.D.3.c.	Page 22	*
	Table of contents	See Sec. IV.D.3.d.	Page 22	*
	Technical proposal: (1) Executive Summary (2) Background data (3) Technical project description (4) Evaluation criteria	See Sec. IV.D.3.e.	Page 22 Page 22 Page 22 Page 23 Pages 23 - 30	* * * *
	Description of Performance Measures	See Sec. IV.D.3.f	Page 30	*
	Environmental Compliance	See Sec. IV.D.3.g.	Page 31	*
	Required permits and approvals	See Sec. IV.D.3.h.	Page 32	*
	Funding plan	See Sec. IV.D.3.i.	Page 32	*
	Commitment letters	See Sec. IV.D.3.i	Page 32	**
	Official resolution	See Sec. IV.D.3.j.	Page 34	**
	Project budget proposal: • General requirements • Budget format • Budget narrative • Budget form	See Sec. IV.D.3.k.	Page 35 Page 35 Page 35 Page 35 Form SF 424A or SF 424C, as applicable, available at: < <a href="http://apply07.grants.gov/apply/FormLinks?family=15">http://apply07.grants.gov/apply/FormLinks?family=15</a> > Page 38	* * * * *

\* Submit materials with your application on February 17, 2011

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



# Acronyms and Abbreviations

AOR	Authorized Organization Representatives
ARC	Application Review Committee
CCR	Central Contractor Registration
CFDA	Catalog of Federal Domestic Assistance
CE	Categorical Exclusion
CEC	Categorical Exclusion Checklist
CPA	certified public accountant
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
ET	evapo-transpiration
FAQ	Frequently Asked Question
FEMA	Federal Emergency Management Agency
FOA	Funding Opportunity Announcement
FONSI	Finding of No Significant Impact
FY	fiscal year
GO	Grants Officer
IRS	Internal Revenue Service
MST	Mountain Standard Time
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
O&M	Operation and maintenance
OM&R	Operations, Maintenance, and Replacement
OMB	Office of Management and Budget
ROD	Record of Decision
SCADA	Supervisory Control and Data Acquisition
SOR	System Optimization Review
TIN	Taxpayer Identification Number
USFWS	U.S. Fish and Wildlife Service
WaterSMART	Sustain and Manage America's Resources for Tomorrow



# Contents

	Page
<b>Section I. Funding Opportunity Description.....</b>	<b>1</b>
I.A. WaterSMART: Water and Energy Efficiency Grants .....	1
I.B. Objective of Funding Opportunity Announcement .....	1
I.C. Program Authority .....	2
I.D. Frequently Asked Questions.....	2
<b>Section II. Award Information .....</b>	<b>3</b>
II.A. Total Project Funding .....	3
II.B. Project Funding Limitations .....	3
II.C. Reclamation Responsibilities .....	4
II.D. Award Date.....	4
<b>Section III. Eligibility Information.....</b>	<b>5</b>
III.A. Eligible Applicants.....	5
III.B. Eligible Projects .....	5
Task A–Water Conservation.....	6
Task B–Energy-Water Nexus .....	7
Implementing Renewable Energy Projects Related to Water Management and Delivery .....	7
Increasing Energy Efficiency in Water Management.....	7
Task C–Benefits to Endangered Species .....	8
Task D–Water Markets .....	8
III.C. Ineligible Projects.....	8
Operations, Maintenance and Replacement.....	8
Title XVI Water Recycling and Reuse .....	9
Water Purchases .....	9
III.D. Length of Projects .....	9
III.E. Cost-Sharing Requirement .....	9
Cost Share Regulations .....	10
In-Kind Contributions .....	10
Pre-Award Costs .....	10
Indirect Costs .....	10
III.F. Environmental Compliance .....	11
III.G. Requirements for Agricultural Operations [Public Law 111-11, Section 9504(a)(3)(B)].....	11
III.H. Other Requirements .....	12
Title to Improvements [Public Law 111-11, Section 9504(a)(3)(D)].....	12
Operation and Maintenance Costs [Public Law 111-11, Section 9504(a)(3)(E)(iv)] .....	12
Liability [Public Law 111-11, Section 9504(a)(3)(F)] .....	12
In General.....	12
Tort Claims Act.....	12
Central Contractor Registration .....	12
<b>Section IV. Application and Submission Information.....</b>	<b>15</b>
IV.A. Address to Request Application Package .....	15
IV.B. Application Submission Date and Time .....	15

IV.C. Application Delivery Instructions .....	16
IV.D. Instructions for Submission of Project Application.....	16
IV.D.1. Applying for Funds Online at Grants.gov .....	17
Assistance with Grants.gov.....	18
Registering to Use Grants.gov (1-3 week process).....	18
IV.D.2. Application Format and Length.....	21
IV.D.3. Application Content.....	21
a. SF-424 Application Cover Page .....	21
b. SF-424 Assurances.....	22
c. Title Page .....	22
d. Table of Contents .....	22
e. Technical Proposal and Evaluation Criteria .....	22
(1) Technical Proposal: Executive Summary .....	22
(2) Technical Proposal: Background Data.....	22
(3) Technical Proposal: Technical Project Description .....	23
(4) Technical Proposal: Evaluation Criteria .....	23
f. Performance Measure for Quantifying Post-Project Benefits .....	30
g. Environmental Compliance .....	31
h. Required Permits or Approvals.....	32
i. Funding Plan and Letters of Commitment.....	32
j. Official Resolution.....	34
k. Budget Proposal .....	35
(1) General Requirements .....	35
(2) Budget Proposal Format.....	35
(3) Budget Narrative Format.....	35
(4) Budget Form.....	38
IV.E. Funding Restrictions .....	38
<b>Section V. Application Review Information.....</b>	<b>41</b>
V.A. Review and Selection Process.....	41
First-Level Screening.....	41
Second-Level Evaluation (Technical Review) .....	42
Third-Level Evaluation (Managerial Review).....	42
V.B. Pre-Award Clearances and Approvals .....	42
<b>Section VI. Award Administration Information.....</b>	<b>45</b>
VI.A. Award Notices .....	45
VI.B. Award Document .....	45
VI.C. Reporting Requirements and Distribution .....	45
(1) Financial Reports .....	45
(2) Program Performance Reports .....	45
<b>Section VII. Agency Contacts .....</b>	<b>47</b>
<b>Section VIII. Other Information .....</b>	<b>49</b>
VIII.A. Performance Measures .....	49
VIII.B. Overview of Environmental Compliance Requirements.....	49
Review within the Application Evaluation Process.....	50
Review of Initially Recommended Projects .....	50
Overview of Relevant Environmental Laws.....	51

## Contents

National Environmental Policy Act .....	51
National Historic Preservation Act .....	52
Endangered Species Act .....	53



## **Section I. Funding Opportunity Description**

### **I.A. WaterSMART: Water and Energy Efficiency 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 of the Interior's (DOI) WaterSMART (*Sustain and Manage America's Resources for Tomorrow*) program establishes a framework to provide Federal leadership and assistance on the efficient use of water, integrating water and energy policies to support the sustainable use of all natural resources, and coordinating the water conservation activities of various Department bureaus and offices. Through the program, DOI is working to achieve a sustainable water strategy to meet the Nation's water needs. With WaterSMART Grants, Reclamation provides cost-shared funding on a competitive basis for on-the-ground water conservation and energy efficiency projects.

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

### **I.B. Objective of Funding Opportunity Announcement**

The objective of this Funding Opportunity Announcement (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 projects that save water, improve energy efficiency, address endangered species and other environmental issues, and facilitate transfers to new uses.

Water conservation, use of water markets, and improved efficiency are crucial elements of any plan to address western United States water issues. With leveraged water and energy efficiency grants, an important step will be taken towards increasing conservation for a more efficient use of water in the West.

### **I.C. Program Authority**

This FOA is issued under the authority of Section 9504(a) 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).

### **I.D. Frequently Asked Questions**

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

## Section II. Award Information

### II.A. Total Project Funding

The President's Fiscal Year (FY) 2011 budget request included \$27 million for WaterSMART Grants (WaterSMART Grants include: Water and Energy Efficiency Grants; System Optimization Review Grants; Advanced Water Treatment Pilot and Demonstration Project Grants; Research Grants to Develop Climate Analysis Tools; and Bay-Delta Agricultural Water Conservation and Efficiency Projects). A portion of this request is intended for WaterSMART Water and Energy Efficiency Grants. The amount of funding available will be determined once final FY 2011 appropriations are approved by Congress. Please refer to <<http://www.usbr.gov/WaterSMART/grants.html>> for updated funding information.

This year, Reclamation plans to award projects in two Funding Groups, as described below.

### II.B. Project Funding Limitations

Once FY 2011 appropriations are final, funding will be awarded accordingly in two groups:

**Funding Group I:** Up to \$300,000 in Federal funds will be available per agreement. It is expected that the majority of awards will be made for projects in Funding Group I compared to Funding Group II.

**Funding Group II:** Between \$300,001 and \$1,000,000 in Federal funds will be available per agreement. It is expected that fewer awards will be made for projects in Funding Group II compared to Funding Group I.

The Federal share (Reclamation's share plus any other sources of Federal funding) of any one proposed project shall not exceed 50 percent of the total project costs.

Multiple applications for funding may be submitted for consideration. *However, no more than \$1,000,000 in WaterSMART Grant funds will be awarded to any one applicant under all WaterSMART Grants issued in FY 2011.*

## II.C. Reclamation Responsibilities

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 may 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.

At the request of the recipient, Reclamation can provide technical assistance after award of the project. If you receive Reclamation's assistance, you must account for these costs in your budget. To discuss assistance available and these costs, contact your local Reclamation office, which can be identified at <http://www.usbr.gov/main/regions.html>.

## II.D. Award Date

Reclamation expects to contact potential award recipients and unsuccessful applicants in April, 2011, or slightly later if necessary based on the enactment of FY 2011 appropriations. Within one to three months after that date, assistance agreements will be awarded to applicants that successfully pass all pre-award reviews and clearances.

## Section III. Eligibility Information

### III.A. Eligible Applicants

Under P.L. 111-11, Section 9502, an eligible applicant is a State, Indian tribe, irrigation district, water district, or other organization with water or power delivery authority.

Applicants must also be located in the western United States 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:

- Other State governmental entities
- Federal governmental entities
- Institutions of higher education
- Individuals

### III.B. Eligible Projects

*All projects must be completed by September 30, 2013. Projects should seek to conserve and use water more efficiently, increase the use of renewable energy, protect endangered and threatened species, facilitate water markets, or carry out other activities to address climate-related impacts on water or prevent any water-related crisis or conflict.*

Tasks A-D, below, describe projects eligible for funding under this FOA. Applications may include any one, or a combination, of the types of projects described in Tasks A-D. In general, if you are seeking funding for multiple projects (for example, a Task A project and a Task C project) and the projects are interrelated or closely related, they should be combined in one application. Conversely, if the projects can be completed independently and are easily separated or phased, they may be applied for separately.

Applicants may submit multiple project proposals; however, no more than \$1,000,000 will be awarded to any one applicant under all WaterSMART Grant FOAs issued in FY 2011.

Other projects that are similar to those listed below may be submitted for consideration and will be allowed to the extent consistent with program authorization and goals.

### **Task A–Water Conservation**

Projects that result in quantifiable and sustained water savings or improved water management (please note that an agreement will not be awarded for an improvement to conserve irrigation water unless the applicant agrees to the terms of Section 9504(a)(3)(B) of Public Law 111-11. See Section III.G. of this FOA for further information). Projects include, but are not limited to, the following:

- Canal lining and piping: Projects that line or pipe canals resulting in conserved water. Projects include but are not limited to:
  - Installing new proven lining materials or technology
  - Converting open canals to pipeline
  - Constructing storage reservoirs
  - Constructing conveyance improvements, turnouts, pipelines or intertie systems
- Metering: Projects that install meters, resulting in measureable water savings. Projects include but are not limited to:
  - Installing water service meters
  - Installing soil moisture sensors
  - Installing automated irrigation management systems
- Turf Replacement: Projects that replace water intensive turfs with more efficient alternatives, resulting in measurable water savings. Projects include but are not limited to:
  - Implementing landscape rebate programs (e.g., xeriscape)
- Other infrastructure improvements: Projects that modernize and improve infrastructure, resulting in measureable water savings. Projects include but are not limited to:

- Updating existing appliances (e.g., toilets, faucets, etc.) with more efficient equipment
- Modernizing existing check structures
- Automating canal gates or other control structures with associated telemetry equipment for offsite control.
- Installing Supervisory Control and Data Acquisition (SCADA) programs to remotely monitor and operate key river and canal facilities.
- Installing evapo-transpiration (ET) controllers to improve water applications.
- Installing advanced water measurement equipment, such as acoustic meters, magnetic meters, propeller meters, and weirs or flumes with reliable continuous totalizing sensors and recorders.
- Constructing facilities to allow or increase aquifer recharge.

### **Task B–Energy-Water Nexus**

Projects that increase the use of renewable energy sources in the management and delivery of water as well as projects that upgrade existing water management facilities resulting in quantifiable and sustained energy savings. Projects include but are not limited to those discussed in the following subsections.

#### **Implementing Renewable Energy Projects Related to Water Management and Delivery**

- Installing small-scale hydroelectric, solar-electric, wind energy, or geothermal power systems, or other facilities that enable use of these or other renewable energy sources (e.g., replacing fossil fuel powered pumps with renewable energy based pumps, installing low-head hydrokinetic power generation units in a water system, etc.)
- Producing and using biomass or renewable fuels (including woody and herbaceous crops and residues, solid waste, sewage, and liquid fuels from agricultural products) (e.g., developing or using technology that would transform algae into a renewable oil source)

#### **Increasing Energy Efficiency in Water Management**

- Retrofitting or modernizing water management facilities or equipment to increase energy efficiency (e.g., installing Variable Frequency Drives, Advanced Meter Readings, or “smart grid” technology on pump and water systems)

- Quantifiable reductions in energy consumption through water conservation projects that reduce pumping or diversions

### **Task C–Benefits to Endangered Species**

Projects that benefit federally listed species (threatened or endangered) or designated critical habitat affected by a Reclamation facility or action as well as projects that benefit federally recognized candidate species. Projects include but are not limited to:

- Habitat improvements, including habitat restoration, making additional water available, and vegetation management
- Installation of fish bypasses and fish screens, and hatchery improvements

### **Task D–Water Markets**

Projects that implement or use water markets to make water available to meet other existing water supply needs or uses (e.g., agricultural, municipal, or dedication to instream flows). Projects include but are not limited to:

- Projects that develop a water market that would provide a mechanism for willing participants to buy, sell, lease, or exchange water to avoid or reduce water conflicts
- Projects that would result in the contribution of conserved water to an existing water market
- Projects that would make conserved water available for agricultural, municipal, or instream uses through a sale, lease, or exchange to another water user

## **III.C. Ineligible Projects**

*Projects that are ineligible for funding under this FOA include:*

### **Operations, Maintenance and Replacement**

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)
- Sealing expansion joints of concrete lining because the original sealer or the water stops have failed
- Replacing broken meters with new meters of the same type
- Replacing leaky pipes with new pipes of the same type

### **Title XVI Water Recycling and Reuse**

Any projects or project elements that are part of a congressionally authorized Title XVI project of Public Law 102-575, as amended (43 U.S.C. 390h et seq.), are not eligible for funding under this FOA. Title XVI is Reclamation's water recycling and reuse program, focused on identifying and investigating opportunities to reclaim and reuse wastewaters and naturally impaired ground and surface water. For more information on the program, please visit: <<http://www.usbr.gov/WaterSMART/title.html>>.

### **Water Purchases**

A project that proposes using Federal funding for purchasing water is not eligible under this FOA.

### **III.D. Length of Projects**

Proposed projects should be completed within 24 months from the project start date. Applications for projects requiring more than 2 years will be considered if you can demonstrate that there will be measureable on-the-ground accomplishments each year.

### **III.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, should be secured and available to the applicant prior to award. Reclamation may approve an award

prior to an applicant securing non-Federal cost-share funds if Reclamation determines that there is sufficient evidence and likelihood that the non-Federal funds will be available to the applicant by the start of the project. Funding commitment letters must be submitted in accordance with Section IV.C., “Application Delivery Instructions.” and contain the information stated at Section IV.D.3.i, “Funding Plan and Letters of Commitment.”

## **Cost Share 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>.

## **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.

## **Pre-Award Costs**

Project pre-award 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 July 1, 2010, be considered for cost share purposes.**

For example, such costs might include design or construction plans and environmental compliance costs directly supporting the proposed project. 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.

## **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: (1) incurred for a common or joint purpose benefiting more than one cost objective, and (2) not readily assignable to any one cost objective. If the applicant proposes indirect costs in the budget, then the applicant must either supply a copy of a current federally-

negotiated indirect cost rate agreement or obtain an agreement within one year of award. For further information on indirect costs, refer to the applicable OMB cost principles circular referenced above and available at <http://www.whitehouse.gov/omb/circulars>.

### **III.F. Environmental Compliance**

All projects being considered for award funding will require compliance with the National Environmental Policy Act (NEPA) before any ground disturbing activity may begin. Compliance with all applicable state, Federal and local environmental, cultural, and paleontological resource protection laws and regulations is also required. These may include, but are not limited to, the Clean Water Act, the Endangered Species Act (ESA), National Historic Preservation Act (NHPA), consultation with potentially affected tribes, and consultation with the State Historic Preservation Office.

Reclamation will be the lead Federal agency for NEPA compliance and will be responsible for evaluating technical information and ensuring that natural resources, cultural, and socioeconomic concerns are appropriately addressed. As the lead agency, Reclamation is solely responsible for determining the appropriate level of NEPA compliance. Further, Reclamation is responsible to ensure findings under NEPA, and consultations, as appropriate, will support Reclamation's decision on whether to fund a project. Environmental compliance costs are part of an applicant's cost share. These costs will be considered in the ranking of applications.

*Under no circumstances may an applicant begin any ground-disturbing activities (including grading, clearing, and other preliminary activities) on a project before environmental compliance is complete and Reclamation explicitly authorizes work to proceed. This pertains to all components of the proposed project, including those that are part of the applicant's non-Federal cost share. Reclamation will provide a successful applicant with information once environmental compliance is complete. An applicant that proceeds before environmental compliance is complete may risk forfeiting Reclamation funding under this FOA.*

### **III.G. 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 to both of the following conditions:

- Not to use any associated water savings to increase the total irrigated acreage of the eligible applicant; and
- Not to 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

### **III.H. 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.

#### **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.

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

The non-Federal share of the costs for operation and maintenance (O&M) of any infrastructure improvement funded through an agreement awarded under this FOA shall be 100 percent.

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

##### **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.

##### **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”).

#### **Central Contractor Registration**

All applicants must be registered in the Central Contractor Registration (CCR) prior to submitting an application for this FOA. The CCR and instructions for registration are located at <<http://www.bpn.gov/ccr>>. All applicants must

### Section III. Eligibility Information

maintain an active CCR registration with current information at all times during which it has an active Federal award or an application under consideration.



## Section IV. Application and Submission Information

### IV.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: Michelle Maher  
Mail Code: 84-27810  
P.O. Box 25007  
Denver CO 80225

E-mail: mmaher@usbr.gov

Phone: 303-445-2025

### IV.B. Application Submission Date and Time

Application submission date deadline:

- February 17, 2011, 4:00 p.m. Mountain Standard 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.

*Please note that any application submitted to Reclamation for WaterSMART Grant funding may be subjected to a Freedom of Information Act request (5 U.S.C. § 552, as Amended by Public Law No. 110-175), and as a result, may be made publicly available. In addition, **successful applications may be made publicly available** (following consultation with the applicant with redactions as needed) and may be posted on the Reclamation website.*

## **IV.C. Application Delivery Instructions**

Applications may be submitted electronically through <<http://www.grants.gov>> or hard copies may be submitted as follows. Under no circumstances will applications received through any other method (such as email or fax) be considered eligible for award.

By mail:

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

Express delivery/mail services:

Bureau of Reclamation  
Attn: Michelle Maher, Mail Code: 84-27810  
Denver Federal Center  
6<sup>th</sup> Avenue and Kipling Street  
Denver, CO 80225

Telephone: 303-445-2025

## **IV.D. Instructions for Submission of Project Application**

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

### **Applications Submitted by Mail**

- 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.”
- In addition to hard copy documents, please submit a copy of your application on a CD in Microsoft Word format.
- Please do not use “comb,” “spiral,” or adhesive methods to bind the documents.

## Section IV. Application and Submission Information

- 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 and emailed 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.

### **Applications Submitted Electronically**

If the applicant chooses to submit an electronic application it 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. Please see registration instructions at [http://www.grants.gov/applicants/get\\_registered.jsp](http://www.grants.gov/applicants/get_registered.jsp).
- 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 encounter problems with the Grants.gov application submission process, you must contact the Grants.gov Help desk to obtain a “Case Number.” This 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.

### **IV.D.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](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>>.

### **Assistance with Grants.gov**

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.

If you are an individual applying for a grant on your own behalf and not on behalf of a company, academic or research institution, state, local or tribal government, not-for-profit, or other type of organization, refer to the Individual Registration: <[http://www.grants.gov/applicants/individual\\_registration.jsp](http://www.grants.gov/applicants/individual_registration.jsp)>. If you apply as an individual to a grant application package designated for organizations, your application will be rejected.

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

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 Table 1, Step 2 below for completing the annual Central Contractor Registration (CCR) renewal process.**

**Note:** (The following checklist information is available electronically at <[http://www.grants.gov/assets/Organization\\_Steps\\_Complete\\_Registration.pdf](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 1 provides registration guidance for a company, academic or research institution, State, local or tribal government, not-for-profit, or other type of organization.

Section IV. Application and Submission Information

**Table 1. Checklist for Registering Your Organization in Grants.gov**

Step	Actions to take	Purpose	Time required
<b>1: Obtain Data Universal Number System (DUNS) Number</b>	<p><b>Has my organization identified its DUNS number?</b></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 &amp; Bradstreet at <a href="http://fedgov.dnb.com/webform/displayHomePage.do">http://fedgov.dnb.com/webform/displayHomePage.do</a></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>
<b>2: Register With Central Contractor Registration (CCR)</b>	<p><b>Has my organization registered with the CCR?</b></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 <a href="http://www.ccr.gov">http://www.ccr.gov</a>. CCR has developed a handbook &lt; <a href="http://www.bpn.gov/ccr/doc/UserAccount.pdf">http://www.bpn.gov/ccr/doc/UserAccount.pdf</a>&gt; 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 &lt;<a href="https://www.fsd.gov">https://www.fsd.gov</a>&gt;.</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 (AOR).</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.**

Funding Opportunity Announcement No. R11SF80303

Step	Actions to take	Purpose	Time required
<b>3: Username and Password</b>	<p><b>Have the AORs who officially submit applications on behalf of your organization completed their profile with Grants.gov to create their username and password?</b></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>	An AOR username and password serves as an "electronic signature" when submitting a Grants.gov application.	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.
<b>4: AOR Authorization</b>	<p><b>Has E-Biz POC approved AORs to submit applications on behalf of the organization?</b></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>	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.	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.
<b>Step 5: Track AOR Status</b>	<p><b>What is your AOR status?</b></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>	To verify that the organization's E-Biz POC has approved the AOR.	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.

**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 (1-800-518-4726 or support@grants.gov) to obtain a "Case Number." This will provide evidence of your attempt to submit an application prior to the submission deadline.**

### **IV.D.2. Application Format and Length**

The total application package shall be no more than **100 consecutively numbered** pages and shall be **single spaced** and printed **double-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 and Evaluation Criteria section shall be limited to a maximum of **30** (thirty) pages.

All application sent via the mail must also include a digital version of the application and all supporting material on a CD in Microsoft Word format.

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

### **IV.D.3. Application Content**

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

- SF-424 Core For –Application cover page
- SF-424 B or D Form, as applicable to the project
- Title page
- Table of contents
- Technical proposal and evaluation criteria (limited to 30 pages)
  - Executive summary
  - Background data
  - Technical project description
  - Evaluation criteria
- Post-project benefits (performance measures)
- 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
  - General Requirements
  - Budget Proposal Format
  - Budget Narrative Format
  - Budget Form

SF-424, SF-424A, SF-424B, SF-424C and SF-424D forms may be obtained at <http://apply07.grants.gov/apply/FormLinks?family=15>.

#### **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**

A 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 SF-424B or SF-424D should be referred to Michelle Maher at: <[mmaher@usbr.gov](mailto:mmaher@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 facsimile 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 and evaluation criteria (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:

- The date, applicant name, city, county, and state.
- A one paragraph project summary that specifies the Task Area (A, B, C, and/or D) and briefly identifies how the proposed project contributes to accomplishing the goals of this task area(s) (see Section III.B, “Eligible Projects”).
- State 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 (include the State, county, and direction from nearest town).

As applicable, describe the source of water supply, the water rights involved, current water uses (i.e., agricultural, municipal, domestic, or industrial), the

number of water users served, and the current and projected water demand. Also, identify potential shortfalls in water supply. If water is primarily used for irrigation, describe major crops and total acres served.

In addition, describe the applicant's water delivery system as appropriate. For agricultural systems, please include the miles of canals, miles of laterals, and existing irrigation improvements (i.e., type, miles, and acres). For municipal systems, please include the number of connections and/or number of water users served and any other relevant information describing the system.

If the application includes renewable energy or energy efficiency elements, describe existing energy sources and current energy uses.

Identify any past working relationships with Reclamation. This should include the date(s), description of prior relationships with Reclamation, and a description of the projects(s).

**(3) Technical Proposal: Technical Project Description**

The technical project description should describe the work in detail. This description shall have sufficient detail to permit a comprehensive evaluation of the proposal.

**(4) Technical Proposal: Evaluation Criteria**

The Evaluation Criteria portion of your application should thoroughly address each of the following criterion and subcriterion in the order presented to assist in the complete and accurate evaluation of your proposal. (Note: it is suggested that applicants copy and paste the below criteria and subcriteria into their applications to ensure that all necessary information is adequately addressed). The Evaluation Criteria comprise 100 points of the total evaluation weight. Please note that projects may be prioritized to ensure balance among the program Task Areas and to ensure that the projects address the goals of the WaterSMART program.

**Evaluation Criterion A: Water Conservation (32 points)**

*Up to 32 points may be awarded for a proposal that will conserve water and improve efficiency. Points will be allocated to give consideration to projects that are expected to result in significant water savings.*

**Subcriterion No. 1—Water Conservation:**

For projects with quantifiable and sustained water savings, please respond to Subcriterion No. 1(a)—Quantifiable Water Savings described in this subsection. If the project does not result in quantifiable water savings but will improve water management, please respond to Subcriterion No. 1(b)—Improved Water Management described in this subsection. If the project has separate components that will result in both quantifiable water savings and improved water management, an applicant may respond to both. However, an applicant is limited to 20 points total under both Subcriteria No. 1(a) and (b).

**Subcriterion No. 1(a)—Quantifiable Water Savings:**

*Up to 20 points may be allocated based on the quantifiable water savings expected as a result of the project.*

**Describe the amount of water saved.** For projects that conserve water, state the estimated amount of water conserved in acre-feet per year that will result as a direct benefit from this project. Please provide sufficient detail supporting the estimate, including all supporting calculations. Please also include the following:

- What is the applicant’s average annual acre-feet of water supply?
- Where is that water currently going (i.e., back to the stream, spilled at the end of the ditch, seeping into the ground, etc.)?
- Where will the conserved water go?

**OR**

**Subcriterion No. 1(b)—Improved Water Management:**

*Up to 5 points may be awarded if the proposal will improve water management through measurement, automation, advanced water measurement systems, through implementation of a renewable energy project, or through other approaches where water savings are not quantifiable.*

**Describe the amount of water better managed.** For projects that improve water management but which may not result in measurable water savings, **state the amount of water expected to be better managed, in acre-feet per year and as a percentage of the average annual water supply.** (The average annual water supply is the amount actually diverted, pumped, or released from storage, on average, each year. This does not refer to the applicant’s total water right or potential water supply.) Please use the following formula:

$$\frac{\text{Estimated Amount of Water Better Managed}}{\text{Average Annual Water Supply}}$$

**Subcriterion No. 2—Percentage of Total Supply:**

*Up to 8 additional points may be allocated based on the percentage of the applicant’s total average water supply that will be conserved directly as a result of the project.*

**Describe the percentage of total water supply conserved:** State the applicant's total average annual water supply in acre-feet. Explain how this calculation was made.

**Subcriterion No. 3—Reasonableness of Costs:**

*Up to 4 additional points may be awarded for the reasonableness of the cost for the benefits gained.*

Please include information related to the total project cost, annual acre-feet conserved (or better managed), and the expected life of the improvement. Use the following calculation:

$$\frac{\text{Total Project Cost}}{(\text{Acre-Feet Conserved, or Better Managed} \times \text{Improvement Life})}$$

**Failure to include this required calculation will result in no score for this section.**

For all projects involving physical improvements, specify the expected life of the improvement in number of years.

**Evaluation Criterion B: Energy-Water Nexus (16 points)**

*Up to 16 points may be awarded based on the extent to which the project increases the use of renewable energy or otherwise results in increased energy efficiency.*

For projects that include construction or installation of renewable energy components, please respond to Subcriterion No. 1— Implementing Renewable Energy Projects Related to Water Management and Delivery. If the project does not implement a renewable energy project but will increase energy efficiency, please respond to Subcriterion No. 2— Increasing Energy Efficiency in Water Management. If the project has separate components that will result in both implementing a renewable energy project and increasing energy efficiency, an applicant may respond to both. However, an applicant is limited to 16 points total under both Subcriterion No. 1 and 2.

**Subcriterion No. 1— Implementing Renewable Energy Projects Related to Water Management and Delivery:**

*Up to 16 points may be awarded for projects that include construction or installation of renewable energy components (i.e., hydroelectric units, solar-electric facilities, wind energy systems, or facilities that otherwise enable the use of renewable energy). Projects such as small-scale solar resulting in minimal energy savings or production will be considered under Subcriterion No. 2 below.*

**Describe the amount of energy capacity.** For projects that implement renewable energy systems, state the estimated amount of capacity (in

kilowatts) of the system. Please provide sufficient detail supporting the stated estimate, including all calculations in support of the estimate.

**Describe the amount of energy generated.** For projects that implement renewable energy systems, state the estimated amount of energy that the system will generate (in kilowatt hours per year). Please provide sufficient detail supporting the stated estimate, including all calculations in support of the estimate.

**Describe any other benefits of the renewable energy project.** Please describe and provide sufficient detail on any additional benefits expected to result from the renewable energy project, including:

- Expected environmental benefits of the renewable energy system
- Any expected reduction in the use of energy currently supplied through a Reclamation project
- Anticipated beneficiaries, other than the applicant, of the renewable energy system
- Expected water needs of the renewable energy system

**OR**

**Subcriterion No. 2—Increasing Energy Efficiency in Water Management**

*If the project is not implementing a renewable energy component, as described in subcriterion No. 1 above, up to **4 points** may be awarded for projects that address energy demands by retrofitting equipment to increase energy efficiency and/or through water conservation improvements that result in reduced pumping or diversions.*

**Describe** any energy efficiencies that are expected to result from implementation of the water conservation or water management project (e.g., reduced pumping). Include support for the calculation of any energy savings expected to result from water conservation improvements.

**Describe** any renewable energy components that will result in minimal energy savings/production (e.g., installing small-scale solar as part of a SCADA system).

**Evaluation Criterion C: Benefits to Endangered Species (12 points)**

*Up to **12 points** may be awarded for projects that will benefit federally-recognized candidate species or up to **12 points** may be awarded for projects expected to accelerate the recovery of threatened species or endangered species, or addressing designated critical habitat.*

## Section IV. Application and Submission Information

For projects that will directly benefit *federally-recognized candidate species*, please include the following elements:

- (1) Relationship of the species to water supply
- (2) Extent to which the proposed project would reduce the likelihood of listing or would otherwise improve the status of the species

For projects that will directly accelerate the recovery of *threatened species or endangered species or address designated critical habitats*, please include the following elements:

- (1) How is the species adversely affected by a Reclamation project?
- (2) Is the species subject to a recovery plan or conservation plan under the Endangered Species Act?
- (3) Extent to which the proposed project would reduce the likelihood of listing or would otherwise improve the status of the species

Projects that benefit both federally-listed endangered species and federally-recognized candidate species will receive additional consideration under this criterion. Please see <<http://www.fws.gov/endangered/index.html>> for a complete listing of federally-listed threatened or endangered species and federally-recognized candidate species in your area.

### ***Evaluation Criterion D: Water Marketing (12 points)***

*Up to 12 points may be awarded for projects that propose water marketing elements, with maximum points for projects that establish a new water market.*

**Briefly describe any water marketing elements included in the proposed project.** Include the following elements:

- (1) Estimated amount of water to be marketed
- (2) A detailed description of the mechanism through which water will be marketed (e.g., individual sale, contribution to an existing market, the creation of a new water market, or construction of a recharge facility)
- (3) Number of users, types of water use, etc. in the water market
- (4) A description of any legal issues pertaining to water marketing (e.g., restrictions under reclamation law or contracts, individual project authorities, or State water laws)
- (5) Estimated duration of the water market

**Evaluation Criterion E: Other Contributions to Water Supply Sustainability  
(12 points)**

*Up to 12 points may be awarded for projects that contribute to a more sustainable water supply in ways not covered by other criteria.*

This criterion is intended to provide an opportunity for the applicant to explain any additional benefits of the proposed project within the water basin, including benefits to downstream water users or to the environment. Please provide sufficient explanation of the expected benefits and their significance, including any information about water supply conditions within the basin (e.g., is the river, aquifer or other source of supply over-allocated? Is there frequently tension or litigation over water in the basin? Are there endangered species within the basin or other factors that may lead to heightened competition for available water supplies among multiple water uses?) Additional project benefits may include, but are not limited to, the following:

- (1) Will the project make water available to address a specific concern? For example:
  - Will the project address water supply shortages due to climate variability and/or heightened competition for finite water supplies (e.g. population growth or drought)?
  - Will the project market water to other users? If so, what is the significance of this (e.g., does this help stretch water supplies in a water-short basin)?
  - Will the project make additional water available for Indian tribes?
  - Will the project help to address an issue that could potentially result in an interruption to the water supply if unresolved? (e.g., will the project benefit endangered species to maintain an adequate water supply)?
  - Will the project generally make more water available in the water basin where the proposed work is located?
- (2) Does the project promote and encourage collaboration among parties?
  - Is there widespread support for the project?
  - What is the significance of the collaboration/support?
  - Will the project help to prevent a water-related crisis or conflict?

- (3) Will the project increase awareness of water and/or energy conservation and efficiency efforts?
- Will the project serve as an example of water and/or energy conservation and efficiency within a community?
  - Will the project increase the capability of future water conservation or energy efficiency efforts for use by others?
  - Does the project integrate water and energy components?

**Evaluation Criterion F: Implementation and Results (12 points)**

*Up to 12 points may be awarded for the following:*

**Subcriterion No. 1—Project Planning**

*Points may be awarded for proposals with planning efforts that provide support for the proposed project.*

**Does the project have a Water Conservation Plan, System Optimization Review (SOR), and/or district or geographic area drought contingency plans in place?** Please self-certify, or provide copies, where appropriate to verify there is a water conservation plan, SOR, and/or district or geographic area drought contingency plans in place.

Provide the following information regarding project planning:

- (1) Identify any district-wide, or system-wide, planning that provides support for the proposed project. This could include a Water Conservation Plan, SOR, or other planning efforts done to determine the priority of this project in relation to other potential projects.
- (2) Identify and describe any engineering or design work performed specifically in support of the proposed project.
- (3) Describe how the project conforms to and meets the goals of any applicable State or regional water plans, and identify any aspect of the project that implements a feature of an existing water plan(s).

**Subcriterion No. 2—Readiness to Proceed**

*Points may be awarded based upon the extent to which the proposed project is capable of proceeding upon entering into a financial assistance agreement.*

Are all necessary plans/designs complete? Are there any delays expected to result from environmental compliance?

Describe the implementation plan of the proposed project. Please include an estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates. *(Please note, under no circumstances may an applicant begin any ground disturbing activities—including grading, clearing, and other preliminary activities—on a project before environmental compliance is complete and Reclamation explicitly authorizes work to proceed).*

Please explain any permits that will be required, along with the process for obtaining such permits.

**Subcriterion No. 3—Performance Measures**

*Points may be awarded to proposals that provide support for the development of performance measures to quantify actual project benefits upon completion of the project.*

Provide a brief summary describing the performance measure that will be used to quantify actual benefits upon completion of the project (i.e., water saved, marketed, or better managed, or energy saved). For more information calculating performance measure, see Section VIII, “Other Information.”

**Evaluation Criterion G: Connection to Reclamation Project Activities (4 points)**

*Up to 4 points may be awarded if the proposed project is in a basin with connections to Reclamation project activities. No points will be awarded for proposals without connection to a Reclamation project or Reclamation activity.*

- (1) How is the proposed project connected to Reclamation project activities?
- (2) Does the applicant receive Reclamation project water?
- (3) Is the project on Reclamation project lands or involving Reclamation facilities?
- (4) Is the project in the same basin as a Reclamation project or activity?
- (5) Will the proposed work contribute water to a basin where a Reclamation project is located?

**f. Performance Measure for Quantifying Post-Project Benefits**

All WaterSMART Grant applicants are required to propose a “performance measure” (a method of quantifying the actual benefits of their project once it is completed). Actual benefits are defined as water actually conserved, marketed, or better managed as a direct result of the project. A provision will be included in all assistance agreements with WaterSMART Grant recipients describing the performance measure, and requiring the recipient to quantify the actual project benefits in their final report to Reclamation upon completion of the project. If

information regarding project benefits is not available immediately upon completion of the project, the financial assistance agreement may be modified to remain open until such information is available and until a Final Report is submitted. Quantification of project benefits is an important means to determine the relative effectiveness of various water management efforts, as well as the overall effectiveness of WaterSMART Grants.

Please refer to <<http://www.usbr.gov/WaterSMART/grants.html>> for more examples of acceptable performance measures.

### **g. Environmental Compliance**

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 NEPA, ESA, and NHPA. Please answer the following questions to the best of your knowledge. If any question is not applicable to the project, please explain why. Additional information about environmental compliance is provided in IV.3.D.k(3), “Budget Narrative Format,” under the discussion of “Environmental and Regulatory Compliance Costs,” and in Section VIII.B., “Overview of Environmental Compliance Requirements.”

If you have any questions, please contact your regional or area Reclamation office (see <<http://www.usbr.gov/main/regions.html>>) with questions regarding ESA compliance issues. You may also contact Dean Marrone, WaterSMART Program Coordinator, at 303-445-3577, for further information.

- (1) Will the project impact the surrounding environment (i.e., soil [dust], air, water [quality and quantity], animal habitat, etc.)? 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 species listed or proposed to be listed as a Federal endangered or threatened species, or designated Critical Habitat in the project area? If so, would they be affected by any activities associated with the proposed project?
- (3) Are there wetlands or other surface waters inside the project boundaries that potentially fall under Federal Clean Water Act jurisdiction as “waters of the United States?” If so, please describe and estimate any impacts the project may have.
- (4) When was the water delivery system constructed?

- (5) Will the project result in any modification of or effects to, individual features of an irrigation system (e.g., headgates, canals, or flumes)? If so, state when those features were constructed and describe the nature and timing of any extensive alterations or modifications to those features completed previously.
- (6) Are any buildings, structures, or features in the irrigation district 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.
- (7) Are there any known archeological sites in the proposed project area?
- (8) Will the project have a disproportionately high and adverse effect on low income or minority populations?
- (9) Will the project limit access to and ceremonial use of Indian sacred sites or result in other impacts on tribal lands?
- (10) Will the project contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area?

Note, if mitigation is required to lessen environmental impacts, the applicant may, at Reclamation's discretion, be required to report on progress and completion of these commitments. Reclamation will coordinate with the applicant to establish reporting requirements and intervals accordingly.

*Under no circumstances may an applicant begin any ground-disturbing activities (including grading, clearing, and other preliminary activities) on a project before environmental compliance is complete and Reclamation explicitly authorizes work to proceed. This pertains to all components of the proposed project, including those that are part of the applicant's non-Federal cost share. Reclamation will provide a successful applicant with information once environmental compliance is complete. An applicant that proceeds before environmental compliance is complete may risk forfeiting Reclamation funding under this FOA.*

#### **h. 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.

#### **i. 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.

## Section IV. Application and Submission Information

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 the following elements:

- (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

Cost share funding from sources outside the applicant's organization (e.g., loans or state grants), should be secured and available to the applicant prior to award.

Commitment letters should be included with your project application. If a final funding commitment has not been received by the date of application, the commitment letters should be submitted by no later than July 1, 2011.

Reclamation may approve an award prior to an applicant securing non-Federal cost-share funds if Reclamation determines that there is sufficient evidence and likelihood that the non-Federal funds will be available to the applicant by the start of the project.

The funding plan must include all project costs, as follows:

- (1) How you will make your contribution to the cost share requirement, such as monetary and/or in-kind contributions and source funds contributed by the applicant (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. 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.

Please include the following chart (table 2) to summarize your non-Federal and other Federal funding sources. Denote in-kind contributions with an asterisk (\*). Please ensure that the total Federal funding (Reclamation and all other Federal sources) does not exceed 50 percent of the total estimated project cost.

**Table 2. Summary of non-Federal and Federal funding sources.**

<b>Funding Sources</b>	<b>Funding Amount</b>
Non-Federal Entities	
1.	
2.	
3.	
<i>Non-Federal Subtotal:</i>	
Other Federal Entities	
1.	
2.	
3.	
<i>Other Federal Subtotal:</i>	
<i>Requested Reclamation Funding:</i>	
<i>Total Project Funding:</i>	

**j. 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
- That 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.

## **k. Budget Proposal**

### **(1) General Requirements**

Include a project budget that estimates all costs (not just costs to be borne by Reclamation). 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 3 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. The types of information to describe in the narrative include, but are not limited, to those listed in the following subsections.

#### **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. The labor rates should identify the direct labor rate separate from the fringe rate or fringe cost for each category. All labor estimates, including any proposed subcontractors, shall be allocated to specific tasks as outlined in the recipient's technical project description. 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 will be included as a portion of the stated indirect costs. If these salaries can be adequately documented as direct costs, they should be included in this section; however, a justification should be included in the budget narrative.

***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.

***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.

***Equipment***

Itemize costs of all equipment having a value of over \$500 and include information as to the need for this equipment, as well as how the equipment was priced if being purchased for the agreement. If equipment is being rented, specify the number of hours and the hourly rate. Local rental rates are only accepted for equipment actually being rented or leased for the project. If equipment currently owned by the applicant is proposed for use under the proposed project, and the cost to use that equipment is being included in the budget as in-kind cost share, provide the rates and hours for each piece of equipment owned and budgeted. These should be ownership rates developed by the recipient for each piece of equipment. If these rates are not available, the U.S. Army Corp of Engineer's recommended equipment rates for the region are acceptable. Blue book, Federal Emergency Management Agency (FEMA), and other data bases should not be used.

***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. Identify how these costs were estimated (i.e., quotes, past experience, engineering estimates or other methodology).

***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. Identify how the budgeted costs for subrecipients, consultants, or contractors were determined to be fair and reasonable.

***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 a WaterSMART Grant, including costs associated with any required documentation of environmental compliance, analyses, permits, or approvals.

## Section IV. Application and Submission Information

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 costs, you must include a compelling explanation of why less than 1-2 percent was budgeted.

How environmental compliance activities will be performed (e.g., by Reclamation, the applicant, or a consultant) and how the environmental compliance funds will be spent, will be determined pursuant to subsequent agreement between Reclamation and the applicant. 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.

### ***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.

### ***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.

### ***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 recipient’s organization. It is not acceptable to simply incorporate indirect rates within other direct cost line items.

If the recipient has separate rates for recovery of labor overhead and general and administrative costs, each rate shall be shown. The applicant 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 a federally approved indirect rate agreement is not available, provide supporting documentation for the rate. This can include a recent recommendation by a qualified certified public accountant (CPA) along with support for the rate calculation.

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/services/ICS.aspx>.

***Contingency Costs***

All proposed contingency line-items must be supported by a rationale. Further, in most cases, contingency cost estimates are limited to 10 percent of projected construction costs.

***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://apply07.grants.gov/apply/FormLinks?family=15>.

## **IV.E. Funding Restrictions**

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

Section IV. Application and Submission Information

**Table 3. Sample Budget Proposal Format**

Budget Item Description	Computation		Recipient Funding	Reclamation Funding	Total Cost
	\$/Unit And Unit	Quantity			
<b>Salaries And Wages</b>					
Employee 1					
Employee 2					
Employee 3					
<b>Fringe Benefits</b>					
Full-Time Employees					
Part-Time Employees					
<b>Travel</b>					
Trip 1					
Trip 2					
Trip 3					
<b>Equipment</b>					
Item A					
Item B					
Item C					
<b>Supplies/Materials</b>					
Office Supplies					
Construction					
<b>Contractual/<sup>1</sup>Construction</b>					
Item 1					
Item 2					
<b>Environmental And Regulatory Compliance<sup>2</sup></b>					
Other					
Reporting					
<b>Total Direct Costs</b>					
Indirect Costs - ___%					
<b>Total Project Costs</b>					

**The applicant may use this format or submit the information in a different format which provides a detailed break-down of costs and need justification for budgets presented in the SF-424A, 424B, C, or D.**

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

<sup>2</sup>Environmental and regulatory compliance should be at least 1-2 percent unless a justification is provided for a lesser amount.



## **Section V. Application Review Information**

### **V.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 WaterSMART Grants. 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 described in the following subsections.

#### **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 contains 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 from sources outside the applicant’s organization, e.g., loans or state grants, should be secured and available to the applicant prior to award. Reclamation may approve an award prior to an applicant securing non-Federal cost-share funds if Reclamation determines that there is sufficient evidence and likelihood that the non-Federal funds will be available to the applicant by the start of the project.
- 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-D) and is within the scope of WaterSMART Grants.

- The project can be completed by September 30, 2013.

**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.**

### **Second-Level Evaluation (Technical Review)**

Evaluation criteria will comprise 100 points of the total evaluation weight as stated in Section IV.D.5.e.(4). Applications will be scored against the evaluation criteria by an Application Review Committee (ARC), made up of experts in relevant disciplines selected from across Reclamation.

### **Third-Level Evaluation (Managerial Review)**

Management will prioritize projects to ensure the total amount of all awards does not exceed available funding levels, to ensure balance among the program tasks, and to ensure that the projects meet 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 may be considered.

## **V.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 regional or area office for completion of environmental compliance.

The local Reclamation office 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). If the results of pre-award reviews and clearances are unsatisfactory, consideration of funding for the project may be withdrawn.



## **Section VI. Award Administration Information**

### **VI.A. Award Notices**

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

### **VI.B. Award Document**

If the applicant is awarded a financial assistance agreement as a result of this FOA, the proposed project and other relevant information (e.g., expected water savings) from the application will be referenced in the agreement. The agreement document must be signed by a Reclamation GO before it becomes effective.

### **VI.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, on a semiannual basis

#### **(2) Program Performance Reports**

- Semi-annual reports.
- Final report (please note final reports are public documents and will be made available on Reclamation's website).



## 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 Michelle Maher, GO, as follows:

**By mail:**

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

**Overnight delivery:**

Bureau of Reclamation  
Attn: Michelle Maher  
Mail Code: 84-27810  
Denver Federal Center, Bldg. 67 Rm. 152  
6<sup>th</sup> Avenue and Kipling Street  
Denver, CO 80225

**By e-mail:**

mmaher@usbr.gov



## Section VIII. Other Information

### VIII.A. Performance Measures

All proposals must describe how you will quantify actual project benefits (water saved, marketed, or better managed) upon completion of the project (also known as a “performance measure”). You should identify a performance measure for their project and explain how the measure will be applied to their project.

Please refer to <<http://www.usbr.gov/WaterSMART/grants.html>> for more examples of acceptable performance measures.

### VIII.B. Overview of Environmental Compliance Requirements

*Under no circumstances may an applicant begin any ground-disturbing activities (including grading, clearing, and other preliminary activities) on a project before environmental compliance is complete and Reclamation explicitly authorizes work to proceed. This pertains to all components of the proposed project, including those that are part of the applicant’s non-Federal cost share. Reclamation will provide a successful applicant with information once environmental compliance is complete. An applicant that proceeds before environmental compliance is complete may risk forfeiting Reclamation funding under this FOA.*

Before approving expenditures for the implementation of a WaterSMART Grant 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 applicants about the environmental compliance process associated with WaterSMART Grant projects and to summarize the requirements of certain Federal environmental laws.

Reclamation addresses environmental compliance issues for WaterSMART Grant applications as 1) an initial review and 2) a more detailed view of projects initially recommended for award. 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.

## **Review within the Application Evaluation Process**

In the evaluation and selection process, Reclamation performs an initial review of the WaterSMART Grant applications for potential environmental issues. At this stage, Reclamation's review is focused on whether:

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

Applicants for 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 2* percent of the total project costs. If less than 2 percent is budgeted, you must provide justification. Applications will be scored based on whether the amount budgeted appears reasonable.

Environmental compliance costs that are included in the your budget proposal are considered project costs and may be cost shared by the recipient and Reclamation. Any actual costs above the amount you budgeted for must generally be paid for solely by you. 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, the 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, applications 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 you have 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.

## **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.** 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.

## **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 a WaterSMART Grant award. The descriptions below are intended to provide you with information about the environmental compliance issues that may apply to your projects and to help you budget appropriately for the associated compliance costs.

### **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 have to 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 (ROD)**. 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.

Reclamation has the sole discretion to determine what level of environmental NEPA compliance is required. If another Federal agency is involved, Reclamation will coordinate to determine the appropriate level of compliance. You are encouraged to contact your regional or area Reclamation office (See <http://www.usbr.gov/main/regions.html>) with questions regarding NEPA compliance issues. You may also contact Dean Marrone, WaterSMART Program Coordinator, at 303-445-3577 for further information.

### **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—including:

- 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 one 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 two 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.

You should contact your State Historic Preservation Office and your 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/crmstaff.html>> for a list of Reclamation cultural resource specialists. If an applicant has previously received Federal financial assistance, it is possible that a cultural resources survey has already been completed.

### **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:

- 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 respond 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 Oceanic and Atmospheric Administration (NOAA) Fisheries Service. You are encouraged to contact your regional or area Reclamation office (see <http://www.usbr.gov/main/regions.html>) with questions regarding ESA compliance issues. You may also contact Dean Marrone, WaterSMART Program Coordinator, at 303-445-3577 for further information.